

## ACTUARIES MEETING

### Risky To Rely On Existing Tables For Agent Termination Rate, Actuaries Told

Individual companies may find that their agent termination rates are so out of line with the combined experience of companies generally that standard termination rate tables cannot be relied upon as a basis for computations, members of Society of Actuaries were told at their annual meeting recently in Cincinnati. Discussing various elements of agents' compensation, Daniel J. Lyons, Guardian Life, cautioned his fellow actuaries against using termination rates based on joint experience, because of the many factors which vary greatly according to individual companies.

#### McConney-Guest Table Used

For a number of years, tables of agents' termination rates included in actuarial paper by E. M. McConney, Bankers Life of Iowa and Richard Guest of Massachusetts Mutual have been used as a standard of measurement. Mr. Lyons indicated that his company and some others are experiencing higher rates than before. On the other hand, Norman Brodie, Fidelity Society, said his company's

rates are lower than the McConney-Guest table, while J. E. Smith, Connecticut Mutual, reported that his company had termination rates 10% higher in the first year, 30% lower in the second year, and 40% lower in the third year.

C. F. B. Richardson, Mutual of New York, indicated termination rates of 70% to 80% of the McConney-Guest table. His company's plan for new agents resulted in a subsidy during the financing period amounting to about one-third of the first year's commissions. J. A. Beekman, Minnesota Mutual, remarked that termination rates for general agents were lower than those for regular agents.

Discussing agency compensation plans for debit agents, J. E. Taylor, National Life & Accident, J. S. Moyse, Commonwealth Life, and E. W. Bates, Western & Southern, discussed recent changes and modifications from traditional plans used by their companies.

In the discussion of Social Security, W. R. Williamson explained that the ratio of outgo to income in the social security fund had gone from 25% in the first 14 years, to 70% in the next

six years, and finally to over 100% in 1957. He does not see any reversal in this trend. J. H. Miller, Monarch Life, reported on the proposed amendments which fortunately were not passed by Congress this year. He elaborated on the dangers lurking in a government attitude which is proposing such extreme liberalizations. Stefan Hanson, Great-West Life, pointed out that the problems in Canada were similar to those in the United States in that political pressure is continually building up to liberalize benefits.

#### Credit Life Insurance

The discussion of credit life insurance was largely devoted to the practices of certain insurers in the sale of individual credit life policies.

C. C. Dubuar, New York department, and E. M. Neumann, Prudential, pointed out that the competitive basis of sale of such plans is a maximum profit to the lender, contrary to the more desirable objective of widespread coverage at minimum cost to the borrower. They recommended adoption by all states of controls similar to

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### 'Revolutionary' Marketing Changes Ahead: Crockford

Get In Step With Them Or Be Lost In The Shuffle, LAA Chief Warns Colleagues

Some revolutionary changes are imminent in the marketing concept of the life insurance business and many individual advertisers will find themselves lost in the shuffle unless they are alert to these rapidly approaching changes and are willing to become a partner in the revolution.



M. S. Crockford

Morgan S. Crockford, president of Life Insurance Advertisers Assn. and secretary of Excelsior Life, issued this warning to the 400 delegates attending the association's silver anniversary annual meeting this week at the Queen Elizabeth Hotel, Montreal.

"During the last 10 years we have been lulled into a sense of false security in an era of easy selling and mounting production and 'in force' figures," said Mr. Crockford, "but we have remained relatively unmoved by the fact that the percentage of disposable national income going into life insurance has declined. While coverage for the average family is higher than ever before it is still totally inadequate in relation to average family needs in event of the death of the family wage earner."

#### Only 3.54% Into Premiums

In pointing out that in Canada at the present time 3.54% of the disposable national income goes into life insurance and annuities, he emphasized that "this might seem commenda-

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### NAIC Group Meets With McHugh On State Questionnaire

WASHINGTON—A group of commissioners headed by Joseph A. Navarre of Michigan met here this week with Donald McHugh and two of his staff members to talk over the 11-page questionnaire that has been sent to insurance commissioners in each state. Mr. Navarre, chairman of the NAIC committee on preservation of state regulation, headed a group which included Hammel of Nevada, Knowlton of New Hampshire, Northington of

(CONTINUED ON PAGE 14)

### MDRT Query Will Ask Members How They Want It To Operate

Members of the Million Dollar Round Table will soon receive from the executive committee a questionnaire that will enable them to tell the committee not only how they believe the Round Table is serving the members but what they want the Round Table to stand for and how they want it to operate.



Adon N. Smith II

This announcement was contained in the first letter members sent out by the incoming chairman, Adon N. Smith II, Northern Mutual Life, Charlotte, N. C. Mr. Smith and other members of the executive committee will take office Nov. 1.

Mr. Smith asked that members consider all phases of the Round Table's activities and be ready to give the executive committee their considered opinions. He also asked that applicants for the 1959 Round Table lend their cooperation in the huge task of qualifying a membership that is sure to exceed 3,000 next year.

The problems of qualifying you, notifying you and your companies of your membership, preparing an outstanding program for the annual meeting and printing the program and proceedings have become a tremendous undertaking," he wrote. "You can help us—by being sure that

all of your papers are in order and are mailed as early as possible. All of us on the executive committee and our Chicago staff are ready and waiting."

(CONTINUED ON PAGE 14)

### Allen Dowling Elected Chief Executive Of N. American Accident

Allen V. Dowling, vice-president and director of agencies of Franklin Life, has been named president of North American Accident which was purchased by Commercial Investment Trust on Sept. 4. At the time ownership was acquired by CIT, North American did not have anyone in the president's post. The appointment becomes effective Nov. 1. Mr. Dowling entered the life business as an agent for American National in 1947. In his new position he will be a director of the company as well as chief executive.

#### Seek Stop-Gap Rules In Ala.

Gov. Folsom and Superintendent Horn of Alabama are preparing to issue executive orders with stop-gap measures until the new insurance code is adopted by the next legislature.

The temporary measures prohibit the sale of stock in an insurance company as a promotion scheme and inducement to company representatives in the sale of policies.

DEFENSE DEPARTMENT AWARD is presented to Massachusetts Mutual "for outstanding cooperation" with the armed forces reserve training program. Taking part in ceremonies at the home office are, from left, Charles H. Schaaff, executive vice-president; Leland J. Kalmbach, president; Maj. Howard T. O'Day, commanding officer of the Springfield first rifle company, marine corps reserve, who initiated the award, and Col. Wade H. Hitt, deputy director of the first marine corps reserve and recruitment district, making the presentation. The award recognizes Massachusetts Mutual's policy of hiring and promoting reservists without discrimination, of granting military leaves in addition to regular vacations and of compensating reservists for pay differentials incurred during absences for military training.



## Grant Hill To Retire; Nw Mutual Promotes Jones And Templin

Lafin C. Jones, since 1954 director of insurance services and planning of Northwestern Mutual Life, on Nov. 1 will advance to the newly created position of director of markets research.

Grant L. Hill has announced his intention to retire May 31, 1951, as director of agencies and vice-president. Robert E. Templin, a superintendent of agencies since 1954, on Nov. 1 will become director of agencies suc-



Grant L. Hill



L. C. Jones



R. E. Templin

ceeding Mr. Hill, but Mr. Hill will continue to serve as vice-president in charge of sales until his retirement.

### Named V-P In 1946

Grant Hill became production manager of one of Northwestern Mutual's largest agencies, the C. L. McMillen agency in New York, in 1931. Two years later he went to the head office as director of agencies. He was elected a vice-president in 1946.

"Mr. Hill's desire to retire before his mandatory retirement date was accepted with deep regret," President Donald S. Slichter said, "but his counsel will be of great aid in the remaining seven months. His 25 years of outstanding leadership have made him affectionately known not only to Northwestern's thousands of field people but also throughout the entire life insurance industry."

A native of Iowa, Mr. Hill was educated at the University of Illinois. He entered life insurance in Minneapolis in 1916, and after service with the marines during the first war became sales manager for a British firm in London. He returned to the United States in 1923 to resume his life insurance career, and was production manager of a large New York life insurance agency until 1929 when he went into personal production and became a million dollar producer.

### Became CLU In 1928

In 1928 Mr. Hill became a CLU, one of the first men in New York to earn this designation.

He is a former president of Life Insurance Agency Management Assn. and a former president of its predecessor organizations, Life Agency Officers Assn. and Life Insurance Sales Research Bureau.

Robert Templin joined Northwestern Mutual in 1946 as an agent in Fort Wayne. He went to the head office

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## Medical Cost Controls Outlined At Meeting Of Illinois A&S Forum

Steps by which insurers can control medical and hospital costs were outlined by Dr. Clement Martin of Continental Assurance at the October meeting of Illinois A&S Underwriters' Forum in Chicago.

Dr. Martin said American Medical Assn. is sympathetic to the problems of insurance companies, but hospitals are not always. However, he said that attitudes of hospitals are changing.

When a doctor presents an exorbitant bill, the company should protest to the grievance committee of the local medical society, he advised. If the state committee won't do anything about it, the matter should be taken up with AMA. The best results can be obtained when companies make a joint appeal to the grievance committee, rather than if they make individual complaints.

Discussing the relative value schedule initiated in California, Dr. Martin said it was thought that AMA will soon come out with its own relative value schedule. To cut current costs, he recommended using the California schedule.

### Drug Charge Steep

One method by which hospitals inflate bills is by a steep charge for drugs. The cost for a nurse dispensing drugs is fallacious, he charged, explaining that it doesn't cost the hospital any more to have a nurse administer the drug than to have her park behind her desk. Many drugs are administered too frequently, he said, but he admitted he didn't know how this frequency could be trimmed.

Inflated laboratory charges add to high hospital costs, and the sickest people are the ones who use laboratories most. "The person having more than one test should have a sliding scale," Dr. Martin declared. He also termed X-ray charges "uniformly inflated."

When a company is charged a bill that is out-of-line and has recourse to a decent grievance committee, Dr. Martin advised that it pay the bill and then ask the committee for a refund. "I think you have a better chance when you have paid the money, than when you are trying to keep from paying," he opined.

## Ordinary Sales Again On Rise, Gain 12% In Sept.; Group Down

Sales of ordinary life in September were \$3,912,000,000, a 12% increase, and for the first nine months of 1958 were \$34,614,000,000, a 4% gain, according to LIAMA. Group life sales, however, totaled \$587 million in September, a decline of 9%, and for the nine months were \$8,326,000,000, a 17% drop.

Sales of all types of life insurance were \$5,056,000,000, an 8% increase for the month, and for the nine months were \$47,783,000,000, or down 2%.

Industrial life sales of \$557 million showed only a nominal gain of .003% for the month, and \$4,843,000,000 in sales for the nine months meant a decrease of 7%.

## Plus, Minus Factors Of Bank Loan Plan Aired At N. Y. Agents Meeting

### Introduce Financed Life Concept Only After Client's Need Is Firmly Established

The bank loan plan is not a specialty. It is not a sales method or a sales package. It should be regarded by the responsible agent as nothing more than a convenient method of payment for insurance a prospect has already decided he should have.

These are important facts every agent who wants to make the bank loan plan work effectively for him should remember, according to Benjamin L. Stern, agent of New England Life, in his talk before the educational meeting of New York City Life Underwriters Assn. at the Hotel Astor.

### A Positive Factor

However, Mr. Stern said, "I believe that the idea of borrowing to pay premiums should be introduced into every sales presentation even though the prospect can and should pay the premiums required. I believe that the financed life insurance concept can be a positive factor in closing every life insurance sale at the proper level."

Mr. Stern cited as an example the prospect who agrees he needs \$50,000 of additional insurance with an annual premium of \$1,300. In the prospect's mind, the \$1,300 represents a fixed commitment out of his current income, and he very well might be reluctant to take on the burden of payment because he fears that his future circumstances may prevent him from meeting his contract.

Faced with this situation, where need is already established in the prospect's mind, Mr. Stern said, an agent can salvage the sale by introducing the bank loan plan concept. Thus, it is demonstrated to the prospect that if he can pay the full premium for only a limited number of years, any future inability to meet the premium will not force him to sacrifice his insurance.

Mr. Stern summed up this responsible approach to the bank loan plan with two basic rules which he said every agent should follow. "The first is never to encourage a prospect who is able to pay premiums to finance his insurance by borrowing. The second is never to permit a prospect to acquire a plan on a loan basis which carries a premium he cannot presently pay if he chooses, or will almost certainly be able to pay in the near future," he said.

### A Matter Of Good Business

Mr. Stern said that experience had taught him that these rules were a matter of good business. The policyholder who must borrow annually takes a considerable amount of the agent's time each year. Figures must be obtained for the policyholder; he has to be told how much he is to pay; which part of the payment is interest and which part premium, and, Mr. Stern noted, nine times out of ten, the whole idea of the bank loan must be explained to him all over again because he has forgotten what he was told the year previous.

Another reason for insisting that

### Inexperienced Producer Is Advised To Seek Aid From Plan Specialists

One of the biggest dangers to the future of the bank loan plan is the agent who is new and inexperienced and who abuses the plan "in the blind faith of ignorance." This was the warning voiced by Merrill P. Arden, agent of Connecticut Mutual, to agents using or considering use of the plan in his portion of the discussion of bank loan plans before the educational meeting of New York City Life Underwriters Assn. at the Hotel Astor.

Mr. Arden suggested to all agents who are new in this field that they consider the same practice used in estate planning, pension plans or any other type of specialty insurance selling, and that is to work jointly with the man who knows the business.

"By working jointly," Mr. Arden said, "you pay for your education, but in my opinion the price is small."

### Poor Sales Made

The suggestion, Mr. Arden said, was prompted by his having seen inexperienced men fumble through sales that were potentially good, but which, although sometimes closed, were not made as well as they could have been.

Mr. Arden characterized himself as being somewhat conservative in his approach to the sale of bank loan plans. He said that he always attempts to build up in the policy some amount of equity by setting up illustrations for the policyholder which would require some cash payment in addition to the amount necessary for the minimum deposit.

"I do this for two reasons," Mr. Arden explained. "First of all, it gives the man a feeling of ownership he might not have if all the guts were

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### Rule On A&S Contracts In Ohio

Attorney General Saxbe of Ohio has ruled that hospital service associations such as Blue Cross may write blanket group contracts with employers instead of making separate contracts with individuals. Up until now hospital service associations have made individual contracts, according to Superintendent Vorys, who had sought the opinion.

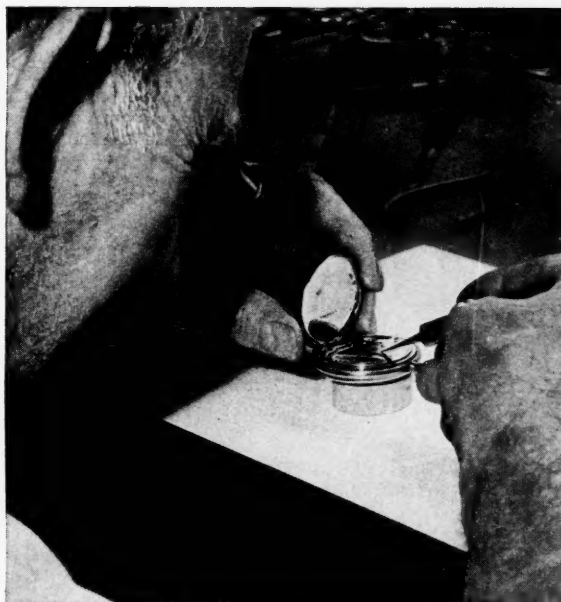
the prospect who plans to borrow has the present or potential ability to pay the premium is the consideration of persistency of an agent's business, and his reputation with policyholders.

"A man who is obliged to give up a program I have installed because he finds he can't afford it, may cost me a great deal more than the loss of the renewals on the particular policy involved," Mr. Stern said.

If a policyholder is forced to later give up a plan, for no matter what reason, he is going to blame the agent who sold him the plan in the first place. "In my opinion, the only possible reason for committing him to a premium he cannot presently or prospectively afford, through the medium of a borrowing plan, is my own greed for the larger commission," he said.



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## Blue Shield Studies Lower D.C. Premium For Lower Incomes

At the request of Washington, D. C., Medical Society, the local Blue Shield organization covering the Washington area, has begun studying the possibility of setting up a separate medical-surgical care plan for low income groups that would provide regular benefits at reduced premiums.

Dr. Donald Stubbs, local Blue Shield president and chairman, said that the income cut-off point cannot be estimated until it is known how many subscribers will be covered. However, he said that he thought maximum family income to qualify under the plan would be about \$3,000 a year. Hospitalization, which is covered by Group Hospitalization, Inc., the local Blue Cross organization, is not included in the new plan.

An outline of the proposal has already been sent to six medical societies in the Washington area for consideration and Dr. Stubbs reported having heard "nothing unfavorable" so far.

The present Blue Shield cut-off point is \$6,000 of annual income, with premiums averaging \$4.94 a month per family and \$1.56 per individual. No premiums have been decided upon for the new plan.

Dr. Stubbs said that similar plans exist in some parts of the country and have evolved over the years as higher income groups have been charged higher premiums. Some plans, he said, have up to seven premium rates based on income. However, he said that he is not aware of any other plan that has attempted to handle the low-income group medical-surgical care problem by arbitrarily setting up a new and lower classification as proposed for Washington Blue Shield.

### Evans Among Seven Honored By Colonial Life Service Group

Seven employees of Colonial Life with a total of 190 years of continuous service with the company, one of whom was Richard B. Evans, president, were honored at a Spinners Society luncheon at the Hotel Suburban in East Orange, N. J. The society is an employee organization of active and inactive members with service records of 25 years or more.

At later ceremonies, employees presented Mr. Evans with an engraved sterling silver cigarette case on the occasion of his 25th anniversary with Colonial Life.

### K. C. CLUs Elect Van Auken

Kansas City chapter of CLU has elected William L. Van Auken, Massachusetts Mutual, president; S. P. Quarles, John Hancock, vice-president; J. H. Haas, Fidelity Mutual, secretary-treasurer.

The chapter is planning an all-day forum on the new revenue code and estate planning for CLUs only.

## Says Small Insured Is Hit Hardest By W. Va. Premium Tax

Don Van Camp, manager of York Life, at Wheeling, W. Va., a former state senator, in his before Fairmont Assn. of Life Underwriters said that the 50% temporary increase in the premium tax recently enacted by the West Virginia legislature affects 1.1 million policyholders in the state and hits the small policyholder harder than owners of large amounts of insurance.

He said that the new premium increase should never be allowed to become "a permanent tax on thrift" and urged all West Virginians to voice their personal concern with local representatives in the legislature.

Mr. Van Camp, citing insurance force at the start of the year, said that the average ordinary policy in Chicago is \$2,821 and the average industrial policy is \$394, indicating that the tax particularly hits the small insured who uses life insurance as the only measure of protection for his family available to him.

### Insured Cannot Afford Tax

Mr. Van Camp said, "The people who own insurance in that amount hardly be considered as people able to bear the cost of a 3% premium tax which is collected from every earned dollar which they must scrape out of their budgets to keep a death claim from being a calamitous financial event."

He pointed out that the tax is something that is skimmed off the cream of profit, but is instead taken directly out of a policyholder's premium dollar and allocated as a part of his costs of providing for loved ones and those dependent on him.

Mr. Van Camp added, "How many insurance companies are held only that claims can be paid and obligations to policyholders met?"

### Not Profit Melons

These accumulations of funds, said, are not like profit melons waiting to be split and shared as in the case of some of the average profit-making corporations, but are only deposited on the amounts owed to policyholders and beneficiaries in general.

Mr. Van Camp pointed out those fighting for the elimination of this temporary tax boost are not fighting to keep some profit rate up, but to keep the cost of thrift and reliance down.

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# Survey Shows Cooperation Between Actuaries, Lawyers Close To 100%

An analysis of the relationship of the lawyer and the actuary in a life insurance company was presented at the American Life Convention's annual meeting in Chicago.



Dwight Brooke



Harold Allen

In a paper, "Functions of and Cooperation Between Actuarial and Law Departments," given before the Legal Section of ALC, Dwight Brooke, vice-president and general counsel, and Harold Allen, 2nd vice-president and actuary, both of Bankers Life of Iowa, pointed out that law departments have the public relations responsibility in guiding affairs of the company. While the corporate lawyer is not responsible for the coverages offered, he does have responsibility for the form, the wording and performance of those obligations.

Similarly, product performance is a common meeting ground—perhaps there is no more important single element for creating and maintaining good public relations, which has as much to do with the faith people generally have in life insurance than its willingness and ability to fulfill obligations.

Similarly, product performance is a common meeting ground—perhaps there is no more important single element for creating and maintaining good public relations, which has as much to do with the faith people generally have in life insurance than its willingness and ability to fulfill obligations.

## Good PR Aids Legislation

Favorable legislation results from good public relations, the authors noted. This is an important collaboration between lawyers and actuaries in the legislative field. Drafting is another important area of contact between the two departments, including drafting of policies and all the forms used in life insurance. It has always been the desire of both departments to properly express the intent as simply as possible; the "fine-print" criticism directed at some insurance policies is properly directed to most life insurance policies.

The actuaries and lawyers have long recognized that the way to merit public confidence is to pay claims. It is wise to limit contestability even though this results in the payment of some claims that would not be paid as a matter of traditional law. The same

philosophy is beginning to permeate some incidental benefits such as double indemnity, where restrictions were more common in the past.

In this connection, as well as in others, it is the law department's function to assess risks. It is the lawyer's duty to advise the actuary of the dangers there may be in adopting a particular course of conduct or wording, but it is also his duty to take the long-range view and to avoid unnecessary legalistic and technical approaches to a given problem.

The actuary employed by a life company applies the principles of probability to the sound financial operation of the insurance and pension plans sold by this company. He has to do with such unknowns as future mortality and morbidity rates, and the effect of medical research, fast automobiles and atomic bombs on them. He is also concerned with interest earnings under controls virtually unknown in the days of our fathers; and the future expenses of operation under booms, depressions, inflation and threats of war.

Life insurance is a very competitive business in which the easy road of excess margins for error is closed; accordingly it is apparent that the work of the actuary is far from an exact science. The actuary's use of his mathematical tools gives an erroneous appearance of exactness to his co-workers in other fields. The test of a good

**P R U BIRTH-DAY—Carroll M. Shanks, president, center, is aided by Gov. Robert B. Meyner of New Jersey, left, and Mayor Leo P. Carlin of Newark during Prudential's 83rd birthday luncheon.**



actuary is his ability to avoid the same error himself. Judgment and experience are as necessary to the actuary as to the lawyer, and effective cooperation between them is absolutely necessary to the sound conduct of the life insurance business.

To determine the extent of effectiveness (CONTINUED ON PAGE 26)

## Union Central Sets Up Electronics Department

Union Central Life has set up what it claims to be the first department of electronics administration by a life company at its home office in Cincinnati.

Heading the new setup will be Executive vice-president Carl DeBuck, who is relinquishing his post as comptroller to Robert C. Johnson, formerly first assistant comptroller. Others associated in the new department will be William H. Niland, advanced from assistant comptroller to 2nd vice-president, and Robert J. Horton, formerly division manager and now assistant vice-president. Assistant actuary Robert B. Koch will serve as actuarial specialist in electronics.

## Scores Premium Tax

West Virginia was the only state in the country to pass a tax increase on insurance policyholders during 1958, with the result that the state's insured have the second highest effective tax rate in the nation, according to Andrew B. Chison, general agent of Ohio State Life, speaking before West Virginia Life Underwriters Assn. at the Ruffner Hotel in Charleston.

Mr. Chison, who is also a past president and national committeeman of the association, urged a concentrated, state-wide drive to have the temporary two-year tax rescinded at the next session of the legislature.

The existence of the tax increase was described by Mr. Chison as a violation of a fundamental tax principle not to tax a specific class of taxpayers for the purpose of supporting expenditures for a particular purpose which has no direct relationship or connection with those paying the bill.

Insurance in force in Business Men's Assurance as of Sept. 30 was \$1,458,987,851 compared with \$1,338,833,646 at the start of the year, and new paid-for business at the end of nine months was \$257,533,208, an increase of 3.8% over the same period last year.

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## New Conn. - Rhode Island Handbook Is Published

A new Underwriters Handbook of Connecticut and Rhode Island has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Connecticut and Rhode Island Handbook may be obtained from the National Underwriter Co., at 420 East Fourth street, Cincinnati 2, Ohio. Price \$12.50 each.

## Methuselah lived 969 years...

... and under Occidental's new GH-2 plan he could have had hospital coverage for every minute of it. (And with proper coverage, he might still be around.)

Just look at the protection he would have had: Renewable for life at his option... No premium change except on a class basis... Lower cost, thanks to the \$50 deductible clause... As much as \$20 per day hospital protection... And many other benefits.

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*Insurance Company* OF CHICAGO

Charles G. Ashbrook, President  
Ronald D. Rogers, CLU, Agency Vice President

North American Building

Chicago, Illinois

## Bankers National Life Has New Family Policy

Bankers National Life has introduced its new family policy which includes guaranteed cost insurance on the husband with term insurance to the husband's age 65 on the wife, and term insurance for each child to his 25th birthday, or the husband's age 65 if earlier.

Low cost, non-participating endowment at age 85 insurance is the basic form of coverage and is written within limits of \$5,000 to \$25,000 on the husband.

For each \$5,000 basic face amount, \$1,000 of coverage on the wife is provided if she is the same age as her husband. Coverage on the wife expires on the adjustment date of the policy when the husband reaches age 65.

At that time, and without evidence of insurability, the wife may elect to convert her term insurance to a permanent plan, or she may select an option which will give her a paid-up \$1,000 non-participating endowment policy at age 85, if she is the same age as her husband.

A conversion privilege for the children permits conversion of the term insurance, without evidence of insurability, to a permanent plan on the adjustment date of the policy or at their 25th birthday if earlier, to an amount up to five times the term coverage. All children born after the policy is issued will be covered for \$1,000 each at age 15 days, with no additional premium.

## American Surety And Its Life Affiliate Hold Open House In New Ind. Office

More than 300 members of the Indianapolis insurance community accepted the hospitality of American Surety and American Life at an open house in connection with the formal opening of the new Indianapolis branch office at 3590 North Meridian street. Randolph E. Brown, first vice-president of American Surety and a vice-president of the wholly-owned life subsidiary, was present to greet the guests along with Mark S. Allison, Indiana manager of the two companies.

The new offices occupy 5,000 square feet in a new office building in an area of insurance home and branch offices about three miles north of the downtown district. The building's ceramic tile foyer was designed and constructed in Italy.

Concurrent with the reception, \$400,000 worth of life business was presented to Mr. Brown for the first two weeks of October. The life company has been doing business in Indiana for only about four months. Accident and sickness lines will be added in November, to be written from the same office under the direction of Mr. Allison.

## Travelers Covers 80,000 Esso Dealers And Employees

Travelers has reached agreement with Esso Standard Oil Co. to provide group life coverage to more than 80,000 dealers and dealer-employees who operate Esso service stations. Also included are resellers and branded distributors of Esso heating oil and other products and their employees.

Double indemnity for accidental death and coverage for dismemberment are also provided. According to present plans, the new program will be in effect shortly after the first of the year.

## Occidental Life Of Cal Doubles Its Capital

Capitalization of Occidental Life of California has been increased from \$12½ million to \$25 million and authorized capital stock of \$12.50 million has been increased from one million to four million shares. An additional one million shares have been voted by the directors as a stock dividend to bring the number of shares outstanding to two million, all owned by Transamerica Corp.



## THINK...

WHY are you paid the same commission as the lowest producers in your agency when you are consistently a top producer?

WHY do so few companies vest renewal commissions?

WHY do you receive little continuing reward for attracting good producers to your agency?

WHY are your renewal commissions for low lapses the same as paid to other representatives for high lapses?

WHY is your renewal commission schedule so low if persistency is so vitally important?

WHY are smaller renewal commissions paid over a long period of time instead of larger commissions paid over a short period?

WHY has the Accident and Health Division of All American Life & Casualty Company enjoyed the most spectacular growth in the business? From the standpoint of premium income, All American now ranks among the top 125 companies.

WHY is All American Life & Casualty Company, having started writing Life Insurance in July, 1956, already producing approximately one million a week?

If you want straightforward answers to all of these questions... write—

E. E. BALLARD, President,

**ALL AMERICAN**

*Life & Casualty*  
Company

CHICAGO

General Offices: All American Building

PARK RIDGE, ILLINOIS



## Why do diabetic doctors live longer than other diabetics?

Anyone who develops diabetes can take hope from the personal experiences of doctors who have the disease. They have proved that by strict adherence to treatment, they can live almost as long and as actively with the disease as without it.

When mild diabetes is discovered early, it can often be controlled by diet alone, or by diet and exercise. In other cases, a combination of insulin, diet and exercise may be required.

New compounds, taken by mouth, appear to be beneficial in selected cases, usually those who have mild diabetes which developed after age 40. Their use, however, requires strict medical supervision . . . and their true place in diabetes treatment awaits further study.

Anyone at any age can develop diabetes, but your chances of doing so are increased . . . *if you are overweight; if diabetes has occurred in your family; if you are between the ages of 40 and 65.*

Today, about one million people in our country have diabetes and are getting treatment. Another million Americans have the disease, but are completely unaware of it. This is because diabetes, early in its course, causes no noticeable symptoms, and may not until it is well advanced.

So, everyone should have periodic health examinations, including simple tests for diabetes. And no one should delay seeing the doctor if any of the following common symptoms of diabetes should occur . . . *weight loss despite constant hunger and excessive eating, increased fatigue during normal activities, excessive thirst and frequent urination.*



If diabetes is found, the usual reward for obedience to the doctor's orders is added years of comfort and of life. Doctors know this . . . and that is why those of them who have diabetes live longer than other diabetics.

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**Metropolitan Life Insurance Company**  
(A MUTUAL COMPANY)

1 MADISON AVENUE, NEW YORK 10, N. Y.



This advertisement is one of a continuing series sponsored by Metropolitan in the interest of our national health and welfare. It is appearing in two colors in magazines with a total circulation in excess of 35,500,000 including Time, Newsweek, Saturday Evening Post, Ladies' Home Journal, Good Housekeeping, Redbook, Reader's Digest, National Geographic, U. S. News.

## A&S Complaint Score 'Unbelievably Good,' Claims Men Are Told

The almost complete freedom from justified complaints about A&S claims "borders on the unbelievable," Cecil J. North, executive vice-president of Metropolitan Life, told the annual meeting of International Claim Assn. at French Lick, Ind.

Mr. North was citing figures from the report issued by the New York department on complaints in connection with A&S.

For companies operating in New York state, the department reported that it had reviewed, in 1957, a total of 614 complaints from individuals with personal A&S coverage. The department felt that 242 of these complaints were justified. The A&S premium in New York state for the companies concerned, for personal A&S as distinct from group coverage, totaled \$226,480,000.

"That is," said Mr. North, "there was about one merited complaint per million dollars of premium. When one considers the promptness with which an irate American can complain, if he thinks there is a reason, this performance—one complaint per million dollars of premium—borders on the unbelievable."

—  
**Toledo Estate Planning Council** at its October meeting heard a talk by James F. Thornburg, attorney, whose subject was deferred compensation plans.

## Marked Gain In A&S Coverage On Older People Since 1952

The number of older persons A&S coverage is growing at a faster rate than the U. S. senior population itself, according to Health Insurance Institute which issued a newly published study of U. S. Department of Health Education & Welfare.

The institute said that there are nearly 15 million persons 65 or over and this figure is expected to rise to 21 million by 1975.

The government study shows that the number of Americans 65 and over increased by 13% from March, 1952 to September, 1956, while the number of senior citizens covered by A&S insurance went up 56%. The figures do not include persons in institutions such as homes for indigent care.

The growth trend held firm over the 1952-1956 span for each age bracket among older persons. Thus, the number of persons in the 65-69 age bracket increased by 7% while the number of insured grew by 40%. In the 70-74 age class, the total population went up 15% and the insured increased 66%. The number of persons 75 years and over climbed 18% while the insured portion of that age group rose 87%.

The government study also pointed out that 26% of the population in their senior years, or one out of every four persons 65 and older, had A&S coverage in March 1952. By September, 1956, this proportion had climbed to 37%, or better than one out of every three.

## Chicago A&H Assn. Starts Fall Season

Chicago A&H Assn. at its open fall luncheon meeting at the Union League Club heard W. Harold Petersen, superintendent of agents, American United Life, give a dynamic emotional talk on the meaning and function of A&H cover. He accompanied his talk with a sound slide furnished by DITC, which is available to various insurance groups and individuals to help put over the story of the public of what A&H is and does.

The meeting had a record attendance of about 100 and was conducted by Jack Olsen of Combined of Chicago, president of the association. Daniel Marlowe, of Provident L&A, and association's membership committee chairman, discussed the forthcoming membership drive, an "opener" by a free lunch at the next monthly meeting for each member who brings in a new dues paying member.

## New Actuarial Firm In N.Y.

J. J. Smick and Dr. H. W. Steinhaus have opened joint offices for actuarial services at 200 East 42nd street, New York. They specialize in the field of pension and employee benefit problems in connection with companies, reserves, Blue Cross and Blue Shield organizations, rates, rate filings, viations and reinsurance.

Mr. Smick was with National Council on Compensation Insurance for many years. He helped develop programs of experience and retrospective rating. Dr. Steinhaus was with Equitable for more than 20 years, most recently as research assistant to the president.

*Northwestern Mutual's  
point of view  
makes a difference...*

**We believe that  
agents can best sell  
what they help to create.**

**N**ORTHWESTERN MUTUAL is run in a uniquely democratic way. Every agent is represented in the councils of this company.

Northwestern Mutual agents belong to Agents' Associations. Committees from these associations sit down regularly with management to discuss problems and opportunities. Over the years there has been continuous proof that the fieldman's point of view is important in planning the company's future. There is, therefore, a "mutual" relationship between the company and its agents, as well as between the company and its policyholders.

*safeguarding tomorrow*



**THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY**  
Milwaukee, Wisconsin



# LIFE BEGINS AT 40

(give or take 20 years)

and it's guaranteed

Learn about the rewards in life insurance and ten-to-one you'll say life begins today. No matter how long you've been in business, it's never too late to start selling Travelers guaranteed cost contracts.

Your files are cram-full of good prospects and the dollars are there to buy. Sure, a lot of life insurance has been bought (The Travelers has \$21.7 billion in force) but we're nowhere near the saturation point. Consider: the life industry's share of the consumer dollar is only 3.8% today, yet 20 years ago it was 5.7%. And though 75% of property is covered less than 15% of human life is protected by insurance.

Yes the need and the money are there. And a Travelers brokerage man will help you get your share. He's specially trained, has plenty of field experience, and he offers his services free. (Ask him about the guaranteed cost principle and Travelers exclusive contracts.)

A Travelers brokerage man is as near as your phone. Call the nearest branch office or general agency. Or send the coupon for information.



ONE OF THE LEADING LIFE INSURANCE COMPANIES

## THE TRAVELERS

HARTFORD 15, CONNECTICUT

The Travelers, Life Agency Department, Hartford 15, Connecticut

I'm interested in writing Life Insurance with The Travelers. Please have your nearest brokerage manager get in touch with me.

NAME .....

ADDRESS .....

CITY & STATE .....

## Keep Up With Industry Changes, Sun Life Of Maryland Agents Urged

Bertram A. Frank, director of general agencies, during the annual general agents meeting of Sun Life of Maryland at the Emerson Hotel in Baltimore, urged the group to keep abreast of the many and rapid changes within the industry today.

He said that sales personnel should remain, "Alert not only in knowledge

and salesmanship, but alert in supplying the most modern coverages in today's market."

He pledged the company's cooperation in keeping abreast of changing conditions, but stressed the idea that this is the time for increased effort along the old established line of need, rather than gimmick selling.

At the meeting, Stanford Z. Rothschild, president, presented the president's cup to Bernard and Benedict Rosenberg, Baltimore, who won the award for the second year. Twelve

agencies received special certificates for their sales accomplishments during president's month.

A. Kenigson, vice-president and actuary, presented a new family plan policy which includes a conversion privilege enabling the wife to convert to permanent coverage when her insurance would normally expire at her husband's age 65. Mr. Kenigson also announced an over-all reduction of premium rates on all term policies and on many other of Sun Life's special contracts.

## Provident Mutual Life Seminar Geared For Leading Producers

Fifty top producers of Provident Mutual Life's field force attended the advance underwriting seminar at the Cherry Hill Inn, Haddonfield, N. J. The three-day seminar was conducted under the leadership of Charles McCaffrey, special consultant in advanced underwriting.

The seminar which began with discussion of the corporate dollar, also included the use of life insurance for business purposes and specialized lectures on family financial planning for executives and business owners. Other featured subjects for study were cooperative premium funding, split-dollar plans, pensions, profit sharing and deferred compensation for executives.

Thomas A. Bradshaw, president, and Lewis C. Sprague, vice-president and manager of agencies, spoke at the concluding session. Mr. Bradshaw outlined the current status of the federal income tax of life companies and emphasized its importance to policyholders and everyone in the industry.

Mr. Sprague discussed company production figures and said that Provident Mutual's new business in September showed an increase of 55% over the same month last year. September, he said, was the sixth consecutive month in which new business established a record production figure.

## Service Records Of Six At Praetorian Mutual Life Total 196 Years

Six employees of Praetorian Mutual Life with a total of 196 years of service were presented with gold inscribed watches during ceremonies at the Insurance Club of Dallas. J. Mottley, president, with 29 years of service, was one of the men to receive a watch and made the presentation to N. V. Yarbrough, Corpus Christi; I. Adkison, Montgomery; D. G. Wells, Fort Worth; D. T. Fulton, Houston; and A. S. Dunkelman, Shreveport, La.

The award ceremony was held in conjunction with an agency seminar at which two new policies were introduced—the whole life special for executives and the sav-o-matic savings plan.

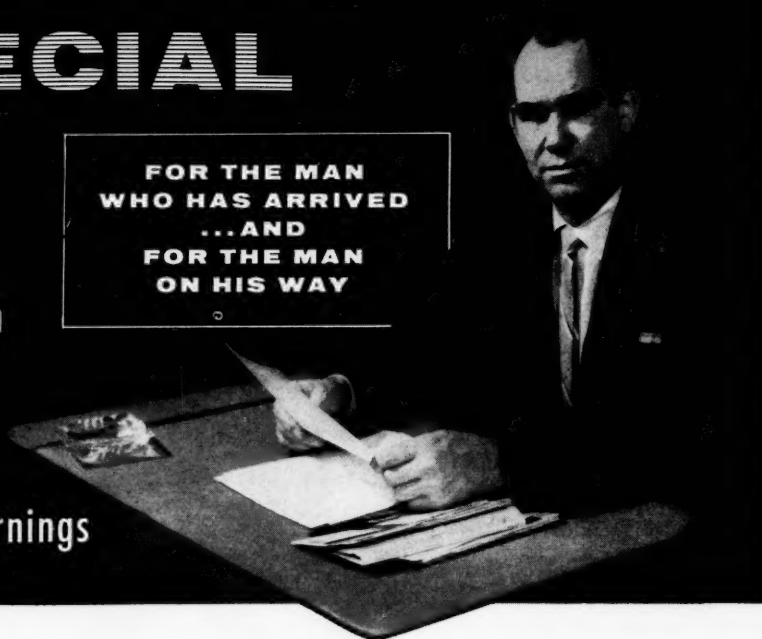
# Announcing

The *Washington National*

# EXECUTIVE SPECIAL

a sales tool...  
for the agent with  
clear vision...  
and a desire  
to upgrade his earnings

FOR THE MAN  
WHO HAS ARRIVED  
...AND  
FOR THE MAN  
ON HIS WAY



## Keyed to the Executive Field

MINIMUM POLICY  
\$25,000.00



**WASHINGTON NATIONAL INSURANCE COMPANY**  
EVANSTON, ILLINOIS

Executives today are finding life insurance the answer to many tax and business security problems. They are buying ever larger amounts to safeguard their families as well.

Accustomed as they are to quantity discounts in business dealings they give strong approval to the economy feature in our new "EXECUTIVE SPECIAL."

A prestige contract sold only in larger amounts and at a reduced premium, the "Executive Special" is designed for "Men of Stature"—our agents, and their growing list of top-level prospects and policyowners.

## The Unity Mutual Life Insurance Company of New York

Insures

The Whole Family

Unity agents are equipped to serve every need for personal insurance. Juvenile policies our specialty.

E. R. DEMING  
President

L. J. BAYLER  
Secretary

HOME OFFICE—SYRACUSE, N. Y.



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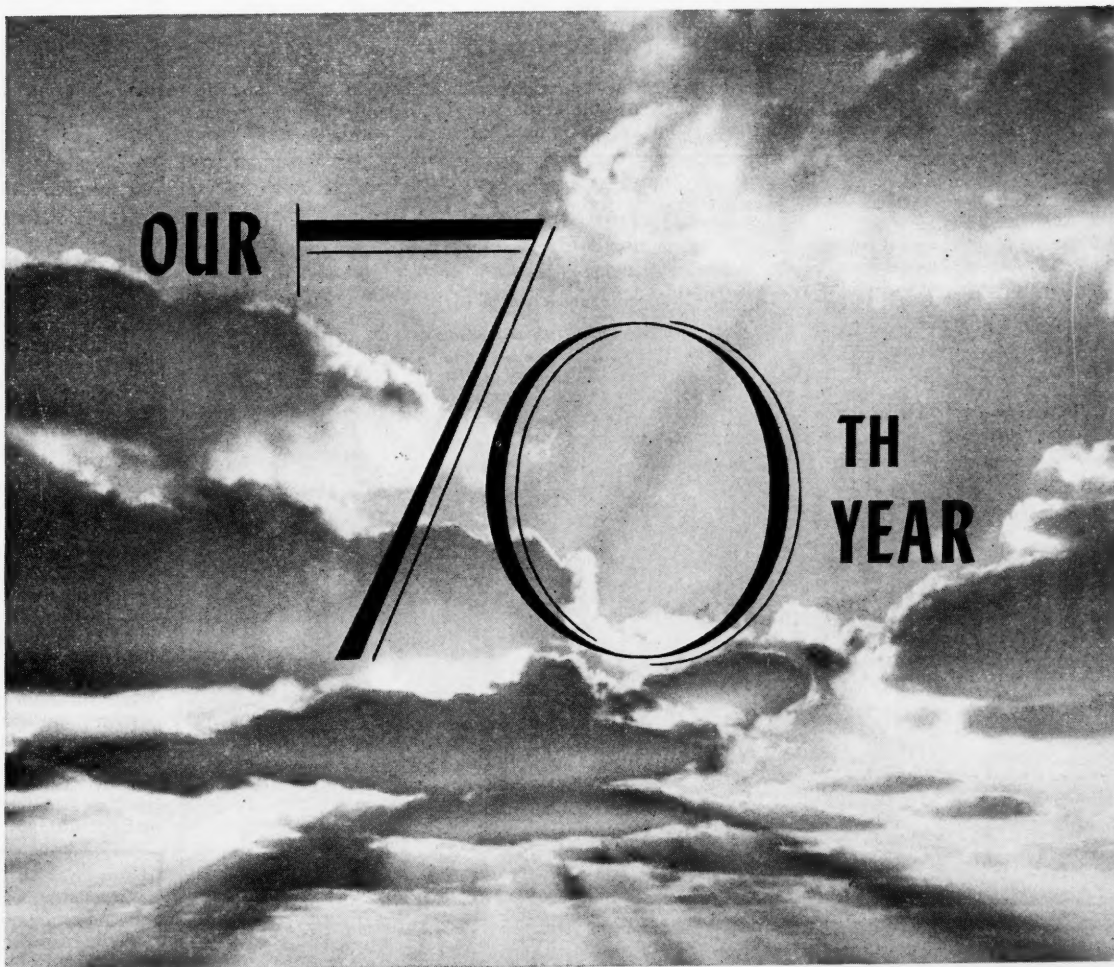
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L. J. BAYLEY  
Secretary  
USE, N. Y.



*Our thanks to the millions of policyholders and friends across the nation whose confidence over the years has enabled Western and Southern to share with them the great benefits provided through the purchase of life insurance.*

WILLIAM C. SAFFORD,  
*President*

## THE WESTERN AND SOUTHERN LIFE INSURANCE COMPANY

A MUTUAL COMPANY • HOME OFFICE • CINCINNATI, OHIO

### DIVISION OFFICES:

St. Louis, Missouri • Asheville, North Carolina • Galveston, Texas • Beverly Hills, California

## Pacific Actuaries Set Annual Card

A four-part program has been planned for the fall meeting of Actuarial Club of the Pacific States at Pebble Beach, Cal., Nov. 6-7.

The topic "Financing of Agents, General Agents, and Managers" will cover what actuaries are doing in developing modern methods for financing agents, general agents and managers; how far a company is justified

in making advances to agents, and what new financing plans have been developed for agents.

The actuaries will discuss the trends in types of major medical insurance and comprehensive policies being offered, the effects of inflation on such policies, and how competition in premium rate inconsistencies can be avoided between a company's regular plans and its major medical plans. A discussion on pension and retirement plans will seek to determine to what extent changes in OASDI will affect pension and retirement plans,

how the widow's pension will be provided for in the retirement plans and what changes will be made as the result of the federal welfare and pension plans disclosure acts.

In a session for miscellaneous subjects, the actuaries will delve into the extent non-cancellable individual A&S business is necessary or desirable, guaranteed insurability policies, the extent that local medical associations are endorsing insurance plans for underwriting medical costs, and the experience with split-dollar high cash value and bank loan plans.

# stimulus



I really enjoyed the 1958  
Basswood Fishing Party  
and consider it one of the finest  
trips any agent has  
the opportunity to go on

—Meyer F. Marks  
Arkansas State Agency  
Little Rock



**N**O other production contest for N/W National agents engenders such spirited competition as does the quarter-century-old tradition of Basswood Month, held each October.

Winners of this contest get to enjoy four days of fishing and good fellowship with the Company's president at beautiful Basswood Lake in the Minnesota-Ontario border lakes country.

They become members of the exclusive ABC, fish for the elusive walleye, northern pike and small-mouth bass with the help of experienced guides. They feast on hearty shore dinners and over cups of steaming coffee engage in a healthy exchange of ideas and professional experiences.

Thus, to be an ABC member signifies much more than just winning a contest. It is a hallmark of growth, and another reason for the high regard in which our agents hold the N/W National franchise and the opportunities it represents.

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

MINNEAPOLIS, MINNESOTA

## N/W NATIONAL

*Life Insurance for Living*



**CORRECTION**—The following correction appeared in last week's issue under a photograph of Clarence Myers, president of New York Life, and William E. Reeve, agent at New York. It should have appeared with the above photograph.

H. Harold Leavey (left) of California-Western States Life, chairman of the ALC legal section, receiving congratulations from the retiring chairman, Dudley Porter Jr. of Provident L&A.

### Gains For Nw Mutual

The advance in sales of Northwestern Mutual Life which began in June continued through the third quarter with September sales 7.36% ahead of those of September, 1957. Sales in the third quarter were \$179,532,000, a 4.71% increase over the third quarter of 1957, while for the first nine months business amounted to \$535,466,000, a decrease of 4.36% from the record high in 1957. As of Sept. 30, Northwestern Mutual had \$9,215,000,000 in insurance in force, 5% above the level on Sept. 30, 1957.



**THINGS ARE JUST A  
LITTLE BIT BETTER AT  
GUARANTY SAVINGS!**

Interested in a new agency of your own company is General Agent opening (some established) every day in Alabama, Georgia, Florida, Idaho, Mississippi, Louisiana, South Carolina, Tennessee.

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Lee Roy Ussery,  
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SAVINGS  
LIFE**

Home Office — Montgomery, Ala.



## Increases Understanding Of Public Relations Company Officers And All Departments

MONTREAL—Company officers in departments should familiarize themselves with the techniques of public relations and with the current PR problems facing the life insurance business, Donald E. Lynch, director of public relations of Mutual Benefit Life, told the Life Insurance Advertisers Assn. at a annual meeting here.

Mr. Lynch presented to the membership a new volume, "Public Relations for Life Insurance Companies," published by LAA and its public relations research committee. Mr. Lynch is editor of the new book, which will be distributed to all LAA members and their companies and will be available to businesses and consultants outside the life insurance business. "In the original planning of the outline for 'Public Relations for Life Insurance Companies' there was laid down the principle that the book should not attempt to be a mere argument for public relations," Mr. Lynch said. "PR needs no apologist; it has on its own two feet and earned its own way. The public relations research committee felt that a volume such as this should be helpful to those engaged in public relations work, those whose companies are contemplating establishment of a public relations department and to individuals who will enter the practice of public relations in the future."

### Improves Relationships

But this volume serves still another purpose. It can give company officers and departments deal directly or indirectly with one or more publics a better understanding of public relations and how it fits into the management scheme of things. It can help to sharpen the communications skills so necessary in modern management administration.

"I have the feeling that management sometimes are willing to approve expenditures for public relations programs without fully understanding the program they are buying. To make a program fully effective there must be understanding and cooperation on the part of all segments of management."

The communicating of ideas and the measurement of the attitudes and opinions of the various publics of a company is a never-ending job, and that changes gradually but inevitably, he continued. This is so because every day "we sow the seeds from which will spring the attitudes and opinions of tomorrow." A company never sit back and view with complacency its current high degree of approval by its public relationships.

### Some Reasons For Concern

It is true, said Mr. Lynch, that the life insurance business enjoys at the present time a high degree of public approval on many phases of its operations. For example, people believe in the inherent honesty of the life insurance contract and in the certitude of terms being carried out. Yet there are some aspects of the business which could concern all officers of all companies regardless of what division they may head.

"There are a few basic problems," he said, "some of which are old, and some of which are new ones that are springing out of the old. Nevertheless, these are questions which the underwriting officer, personnel director, the legal and investment men—the heads of all company operations—should know about and try to understand."

### Praises Work Of Authors

The major credit for the success of the new book, Mr. Lynch emphasized, should go to the authors whose "sound research and clear writing" resulted in 15 outstanding chapters. They cover all of the audiences of a company and also deal with the many tools of communications, such as advertising, publicity, television and special events. The authors were listed in a recent issue of THE NATIONAL UNDERWRITER.

Members of the public relations research committee are Donald E. Lynch, chairman; Loflin E. Harwood,

Southwestern Life, vice-chairman; Clay R. Alexander, Lamar Life; Herbert E. Dunning, Northwestern Mutual; P. Ian Murray, Confederation Life; William K. Paynter, Connecticut General; Hess T. Sears, Equitable of Iowa, and Charles A. Turner, Home Life of New York.

## Mutual Benefit Life Holds Its First Group Sales Confab

Mutual Benefit Life held its first group sales conference at Pocono Manor, Pa., with Robert C. McQueen, director of group insurance, supervising the 4-day conference.

Principal speakers at the sales meeting were Charles G. Heitzeberg, vice-president in charge of agencies, and William F. Ward, vice-president in charge of underwriting and issue. James P. Moloney, director of group sales, served as moderator for the conference.

Mutual Benefit wrote its first group policy in June, 1957. A year later, the company had more than \$57 million of group in force which covered 163 group policies and some 8,000 lives.

## Cleveland Blue Cross Seeks \$50 Deductible Or Increase Of 30%

A \$50 deductible clause for regular group plans or a rate increase of 30% has been requested by Blue Cross of Northeast Ohio, Cleveland. As a third possibility, the company asks approval of a new extended benefit plan for longer coverage. The changes would be effective Jan. 1 if approved.

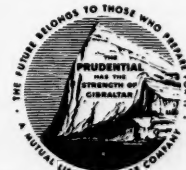
The increased rates would affect Cuyahoga, Lorain, Lake, Geauga and Ashtabula counties, jointly served by Blue Cross of Northeast Ohio and Medical Mutual of Cleveland.

The new \$50 deductible contract would offer the same benefits as the present 120-day Blue Cross contract, except that the subscriber would pay the first \$50 of his hospital bill and 20% of services costing more than \$250.

Judge Barrington T. Hill of Wadsworth, N. C., has been appointed to the board as national sentry of Woodmen of the World of Omaha.



This fall — Prudential continues its award-winning series, "THE TWENTIETH CENTURY"—penetrating programs dealing with the people and events that have shaped this century in which we live. You will see exciting shows—shows of significance and importance—subjects such as: The Red Propaganda Machine • Mission: Outer Space • The Hungarian Revolution • Jet Carriers • The Narcotics Problem • and many others.



**The Prudential**  
INSURANCE COMPANY OF AMERICA

Sunday Evenings, "THE TWENTIETH CENTURY," CBS-TV

## NAIC Group Meets With O'Mahoney Counsel

(CONTINUED FROM PAGE 1)

Tennessee, Rogan of Wisconsin, Gerber of Illinois and deputies, Messrs. Harris of the New York department and Fox of Pennsylvania.

A number of the commissioners have been agitated over the detailed questions they have been asked in the questionnaire sent out by the subcommittee headed by O'Mahoney of Wyoming that is investigating insurance as a unit of the anti-trust com-

mittee. Mr. McHugh is counsel of the subcommittee.

It is understood that agreement was reached that the questionnaire will not have to be returned to the O'Mahoney committee until Jan 15. Some minor changes were made in one or two questions.

While the conference was in progress, Sen. O'Mahoney made a brief appearance during which he shook hands with Commissioner Navarre and engaged in a friendly conversation, describing the activities of his subcommittee as exploratory in nature to

determine how state regulation is performing Public Law 15.

Only a week or so ago, Mr. Navarre and Senator O'Mahoney engaged in some fairly acrimonious comments through the press.

### Connecticut Mutual Sales Gain 14%

Connecticut Mutual Life sales for the third quarter of 1958 were \$137 million, which brought the total for the year to date to \$390,715,300, a gain of 14% over the nine-month figure in 1957. September sales were 25% ahead of the same month last year.

"The secret of success is  
Constancy to Purpose"

Benjamin Disraeli (1870)

**Our constant purpose:  
to achieve success with  
our career men and women.**

**A history of success: \* Founded: 1905    In Force: \$362,287,260.00**  
**Assets: \$ 103,046,260.00**  
**Surplus: \$ 13,423,467.00**

\*Financial Report 1957

**NOW . . . a new approach to the future for our career men and women. "A COMPLETE PERSONAL INSURANCE PROGRAM FOR YOUR CLIENTS AND PROSPECTS." Featuring:**

- NEW . . . Accident and Sickness Plans—"Your Partner for Life."**
- NEW . . . Career Contract builds retirement—renewals vested for the premium paying period of the policy.**
- NEW . . . Company Education and Training—plus aid for your L.U.T.C. and C.L.U. work.**
- NEW . . . Tested and proven Direct Mail Aid.**
- NEW . . . Life Plans with high values—low premiums.**
- NEW . . . Agent and Agency philosophy.**

See for yourself . . . write, wire, or call today for your "new approach" agent's kit. Get full details by contacting your local Central Standard General Agent or: Robert O. Shepler, C.L.U. Agency Director,

**CENTRAL STANDARD LIFE**  
INSURANCE COMPANY

211 W. Wacker Drive  
Chicago 6, Ill.

Life \* Accident \* Sickness



Send for complete information, Today

Name \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

## Ask Members How They Want MDRT To Operate

(CONTINUED FROM PAGE 1)

—John O. Todd, Northwestern Mutual, Chicago, will continue as chairman. The committee is currently working on the clarification of certain qualification credits and procedures.

—Carl P. Spahn, Equitable of Chicago, will again be chairman of the insignia committee. This committee has been expanded to include a vice chairman, Clarence Smith, Northwestern Mutual, Chicago, who will head a special study and report on the use and regulations pertaining to insignia usage and paid advertisements announcing attainment of membership.

### Priebe PR Chairman

—Arthur F. Priebe, Penn Mutual, Rockford, Ill., is chairman of the public relations committee and will follow through on the motion passed at the 1958 annual meeting to provide a program for MDRT members and others to make contributions for scholarship research, and other worthwhile projects. His committee is investigating the possibilities of a Million Dollars Round Table foundation.

—Robert S. Albritton, Provident Mutual, Los Angeles, MDRT vice-chairman, is chairman of the program committee.

—James B. Irvine Jr., National Life of Vermont, Chattanooga, heads the membership committee. He is a member of the executive committee.

—Lester A. Rosen, Union Central Life, Memphis, the newest member of the executive committee, is a chairman of the annual meeting committee and of a new committee dealing with qualification procedures.

### '59 Meeting At Miami Beach

Mr. Smith reminded the members that the 1959 meeting place, Americana hotel, Bal Harbour, Miami Beach, Fla., is ready to handle 1,200 to 1,500 reservations.

"The combination of a completely air-conditioned hotel with an outside temperature ranging from 73 degrees to a high of 85 degrees will provide with an ideal place for next year's meeting either in the hotel or 'cabana hopping' around the pool," Smith said.

## Wis. National Life Marks 50th Birthday

Wisconsin National Life last week celebrated its 50th anniversary with a banquet in its home city of Oshkosh that was attended by nearly 500 persons including Wisconsin Commissioner Paul J. Rogan.

Talks were given by L. B. Treese, vice-president and director of agencies; Mr. Rogan; Oscar A. L. tenberger, financial vice-president who has been with the company 46 of its 50 years, and by W. M. Stillman, president.

Wisconsin National began business October 12, 1908, with G. M. Paul as president. The succeeding presidents have been the late Gen. C. Boardman (1916-1946); R. P. Boardman (1946-1956 and now chairman) and Mr. Stillman.

Originally Wisconsin National was known as Northern Life & Casualty. The Michigan agency for Wisconsin National, headed by Mr. S. Kirkpatrick, celebrated its 50th anniversary by submitting \$577,564 of new business for almost \$12,000 in premiums commemorating the company's 50th anniversary.



## Actuaries In Public Practice Hold Annual Rally At Chicago

The ninth annual meeting of Conference of Actuaries in Public Practice, Oct. 6-7 at Chicago, was attended by some 160 persons. Arthur M. Haight of Omaha was named president; G. Frank Waites of San Francisco, Harmon R. Taylor, Cedar Rapids, Ia., Harley N. Bruce and Donald F. Campbell, both of Chicago, were elected vice-presidents; Harry S. Tressel, secretary, and E. D. Brown Jr., treasurer, both of Chicago.

Arthur M. Haight

A forum—"Problems of Insurers"—was moderated by C. K. Leslie Jr., comptroller Old National Ins. Co. of Houston. An approach to the subject was made by presenting a review of "Recent Trends in the Insurance Industry" by Richard M. Fridley, assistant actuary, Pan-American Life.

Stresses Change Factor

"Our industry," Mr. Fridley said, "was never more dynamic or fluid, and change is the order of the day. It is incumbent upon the actuary, as part of company management or as a consultant, to keep not only informed but to be ready to protect his company when the innovation is undesirable and to capitalize with speed when the trend is worthy."

Papers were presented dealing with a few of the trends noted by Mr. Fridley, separate rates for females being covered by Peter M. Tompa, associate actuary Guardian Life; automatic disability waiver of premiums by Harry M. Sarason, consulting actuary, Los Angeles, and F. Wayne Armstrong, actuary Maryland Life, "How Flexible are Actuarial Principles and Procedures?"

"The Traditional Position of the Actuary" was presented by Charles H. Connolly, associate actuary, Southwestern Life. "We must always be on our guard," he said, "to see that the interests of the great body of policyholders are not impaired by new developments or any fancy gimmicks that may be proposed." He urged the continuance of experimentation with new forms of coverage; but only when such experimentation is openly labeled as such.

Discusses Family Policy

John L. Glenn, of Bowles, Andrews & Towne, Atlanta actuaries, and Lyle H. Barnhart, secretary and actuary Fidelity Life Association, discussed the experiences of companies with the family policy, and Robert H. Taylor, Taylor & Taylor, consulting actuaries, Cedar Rapids, Ia., the experience of companies with the family term rider plan. Each reported the results of the extensive gathering of data from companies issuing these policies during the past one or two years.

L. Dick Forbes, assistant secretary Lincoln National Life, outlined home office problems in connection with the family plans, this paper dealing largely with the solution of underwriting problems.

V. W. Pfeiffer, vice-president and actuary American National, discussed

"What Has Been the Effect of Family Plans on Compensation of Debit Agents?", concluding that "marketing experts seem to be agreed that in reaching the group of prospects who will form the biggest insurance market in the foreseeable future, the debit agent is in a particularly advantageous position. It is not likely that progressive insurance companies will lose this advantage through inability to adapt to any revolutionary policy plans or agency methods which may evolve."

### Talks On Management Research

A paper, "How To Do Management Research," was prepared by Rodman Porter of Texas Research League, Austin, and presented by Mr. Leslie.

"The total industrial insurance, primarily weekly premium, paid for is declining and has been for several years," declared R. E. Marshall, actuary Durham Life, and gave an analysis of the reason for the decline, the future of weekly premium, and the impact on the combination agency system. He said, "We are in the process of developing a new compen-

(CONTINUED ON PAGE 23)

## Knights Of Columbus Insurance In Force Up 90% In Five Years

Insurance in force with the Knights of Columbus has reached the \$800 million mark for a gain of \$380 million, or 90% during the past five years.

Supreme Knight Luke E. Hart, in releasing the figures, said, "We are very proud of this record because it evidences a more complete fulfillment of the purpose for which our order was established by Father Michael J. McGivney in 1882—to render a service to the Catholic people in America by uniting them in a fraternity and, at the same time, to offer them a means of protection for their dependents."

New ordinary business issued and paid-for in Bankers Life of Iowa for September totaled \$17,657,358, an increase of more than \$3½ million over the same month last year. Combined with a group total of \$12,266,053, new business for the month reached \$29,923,411.

## Plumley Is Chairman And Chief Executive Of Worcester Mutual

H. Ladd Plumley, president of State Mutual Life, was elected chairman and chief executive officer of Worcester Mutual Fire. Irving T. F. Ring, senior vice-president and general counsel of the life company, was named vice-president and general counsel of the fire affiliate.

Both have been directors of Worcester Mutual since August when the two companies effected an affiliation which was to "take the form of shared management of unified one stop selling." This was the first affiliation between a mutual life and a mutual fire company.

Three State Mutual officers—J. B. Long, vice-president; Robert A. Miller, controller, and Arthur A. Dunn, assistant to the president—were elected directors of Worcester Mutual. Also elected were F. H. Daniels of Riley-Stoker Corp., and P. M. Morgan of Morgan Construction Co. They are directors of State Mutual.

## LIFE WITH PROVIDENT

### SPECIAL WHOLE LIFE for PROFIT-SHARING PLANS

Provident offers the ideal medium for insuring immediate death benefits under a profit-sharing plan in order to take maximum advantage of the favorable new estate tax regulations. Full level reserve cash values first policy year . . . Guaranteed issue underwriting . . . Favorable annuity purchase rate guarantees. Competitive advantages like these, together with home office assistance, have made Provident specialists in the pension and profit-sharing field among the most successful producers in their communities.



**PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY**

*Chattanooga - Since 1887*

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

## Sees Revolutionary Market Changes Ahead

(CONTINUED FROM PAGE 1)

ble, but it does not compare very favorably with the 7.84% of 1933 or even the 4.69% of 1929 nor the 5.08% of 1939.

"However, in seeking to get a higher percentage of this disposable income, to do an adequate job of securing the future of Canadians, we employ only about one-half of 1% of all the advertising dollars used by Canadian

industry and commerce in competing for Mr. Canada's disposable dollars," said Mr. Crockford. "I am sometimes surprised that we do as well as we do in separating 3.54% from the purchase of goods and more tangible services."

Mr. Crockford charged that too often senior executives of life companies assume that the advertising and public relations activities of the business are

inexplicably tied into the agency operations of their companies, with the result that almost all activity in the use of mass communication contains a short-term selling slant rather than a long-range basic educational motif.

"Now there is a growing awareness in top management circles," he said, "that there are many other publics of the insurance business which should be reached more vigorously than has been done in the past, yet where the sales message is the last thing that

should be used. More and more we find the mass communication problem coming into the orbit of the public

### OFFICERS ELECTED

**President**—Edwin P. Leader, advertising manager Bankers Life of Iowa.  
**Vice-President**—Robert S. Kieffer, assistant vice-president Metropolitan Life.

**Secretary**—L. Russell Blanchard, superintendent of sales promotion and advertising Paul Revere Life.

**Treasurer**—Charles R. Corcoran, 2nd vice-president Equitable Society.

**Editor**—Richard L. Hindermann, vice-president, public relations Pan-American Life.

**Executive Committee Members**—Morgan S. Crockford, secretary Excel-sior Life of Canada, ex-officio as immediate past president; Jay Leavell, vice-president Guaranty Savings Life; H. Dixon Trueblood, vice-president Occidental Life of California; Warren F. Reuber, manager of sales promotion and advertising Connecticut Mutual; John L. Briggs, vice-president and director of public relations and advertising Southland Life; Kenneth K. Wunsch, manager of advertising and public relations Northwestern National Life; Clarence Bishop, sales promotion and advertising manager Protective Life; Robert A. Adams, director of advertising and sales promotion Provident Mutual Life; Frank T. Culp Jr., director of sales promotion West Coast Life.

relations people rather than having it tied too closely to sales."

Mr. Crockford advised his fellow delegates to:

—Get back to the basic fundamentals of marketing life insurance to cover the entire family.

—Be willing and equipped to carry a real load in this modern marketing changeover.

—Work for better service to the policyholder.

—Develop better public relations within the total framework of the association's companies.

—Broaden personal viewpoints and avoid being self-centered.

—Encourage a better and stronger way to tell the institutional story of life insurance.

The talk of Donald E. Lynch, Mutual Benefit Life's public relations director, on the public relations manual just issued by LAA, is reported elsewhere in this issue.

Other talks and events of the LAA meeting will be reported in next week's issue.

### NALU Public Relations

#### Committee Headed By North

William E. North, manager of New York Life at Evanston, Ill., and secretary of National Assn. of Life Underwriters, has been named chairman of the NALU 1958-59 public relations committee.

Mr. North, who was elected NALU secretary last month, was 1957-58 membership committee chairman. He is a CLU.

Reappointed chairmen of other committees are Ellen Putnam, agent of National Life of Vermont at Rochester, N. Y., to the committee on estate planning, and David M. Blumberg, general agent of Massachusetts Mutual at Knoxville, to the committee on by-laws.

# WHY SO MANY BROKERS

RATES  
THAT WIN  
SALES!



WIDE RANGE  
OF QUALITY  
CONTRACTS

# MAKE



TO OUR  
BROKERAGE  
STAFF, SERVICE  
IS "A MATTER  
OF PERSONAL  
PRIDE"



PIONEER IN  
BROKERAGE  
BUSINESS

# GREAT-WEST

# THEIR FIRST



LIBERAL  
COMMISSIONS

# SELECTION

FROM HEAD OFFICE:  
CO-OPERATION  
AND "AN OPEN  
MIND"



THE  
**GREAT-WEST LIFE**

ASSURANCE COMPANY  
HEAD OFFICE - WINNIPEG, CANADA



## Existing Termination Tables Unreliable

(CONTINUED FROM PAGE 1)

the regulations recently promulgated by New York to protect borrowers from being forced to purchase excessive amounts of coverage at excessive cost.

Mr. Dubuar and R. P. Walker, Wisconsin National, noted that some lending institutions have established captive companies to underwrite or reinsure credit insurance for their borrowers. Mr. Walker noted that elimination of commissions on such insurance transfers earnings from the lender to its insurance company.

### Guides To Professional Conduct

In discussing the society's recently adopted "Guides to Professional Conduct," G. F. Waites of Coates, Herfurth & England, G. N. Calvert of Alexander & Alexander, and A. A. Groth of A. S. Hansen, pointed out that there was need for further clarification in the consulting actuarial field. H. M. Sarason and C. J. Woodley, of Harold Faggen Associates, also discussed the subject briefly.

The chairman of the society's committee to review membership requirements, G. W. Fitzhugh, Metropolitan Life, explained the purpose of the committee and pointed out that an even greater demand for qualified actuaries is sure to develop.

D. H. Harris, Equitable Society, reported the results of a statistical analysis he had made of those who attained fellowship in 1957 and 1958. This showed that the average time following college to obtain fellowship was about eight years. Additional study indicated a fairly high correlation between performance on part 1 and subsequent examinations.

### Would Change Earlier Exams

Emphasizing the importance of testing understanding, F. C. Smith of George V. Stennes & Associates recommended changes in the earlier examinations so that the student's approach and development of the problem could be graded rather than allowing the final answer alone to determine the grade.

C. H. Fischer, University of Michigan, felt that examination in algebra and calculus could be replaced by giving credit for passing, with some minimum grade, certain courses in approved universities. He recommended greater emphasis on life contingencies than now exists. A. L. Mayerson, also of the University of Michigan, pointed out that examinations should be geared to qualifying the members and not to the recruiting problem.

The importance of shortening the period of time required for passing the examinations was discussed by J. G. McLaughlin, Teachers Insurance & Annuity. He suggested elimination of at least some of the present preliminary examinations.

J. A. Attwood, of E. S. Hewitt &

Associates, feared that the present designations of associate and fellow might eventually lead many, particularly in the consulting field, to stop their studies after becoming an associate.

J. C. Woody, North American Reassurance, pointed out that the limited number of questions in the fellowship examinations precluded adequate coverage of the syllabus. Changing the later examinations to many short questions plus one or two comprehensive questions would improve the testing procedure. A suggestion by H. A. Woodman Jr., New York Life, was that preparation for the fellowship exams should broaden the student's background and general knowledge.

H. M. Sarason, consulting actuary, said much greater statistical analysis of the education program is needed. G. F. Waites of Coates, Herfurth & England thought a candidate should

have a minimum number of years of experience in addition to completing the examinations before receiving the designation of "actuary."

R. H. Hayes, Union Central, stated that a mathematical aptitude test would do as adequate a job of screening candidates as some of the present early exams while J. C. Hickman of State University of Iowa suggested that rather than do away with the earlier parts, the objective is to make sure they keep pace with newer developments.

Several speakers, including R. Rosser of the Wyatt Co., recommended that open books be permitted in some of the examinations. W. A. Dreher of Bowles, Andrews & Towne pointed out that the essay type of test gives a better index of the student's vocabulary and grammatical training.

### New Mortality Table

Several members of the industry actuarial advisory committee spoke on recent developments in connection with the adoption of a new mortality table. J. T. Phillips, New York Life, introduced the subject as chairman

of the committee. He reviewed the history and work of other committees in this area and stated that it was hoped the 1958 CSO table could be adopted throughout the country in time to make its use mandatory by 1965. C. M. Sternhell, also of New York Life, described some of the technical aspects of the table and compared recent mortality developments with the 1950-1954 period which formed the basis for the table.

Speaking on the problem of non-foreiture values, J. E. Hoskins of Travelers described the basis for the 1958 CSO-A table. This table is a modification of the 1958 CSO table and will be available for calculation of extended term and reduced paid-up benefits.

### Male Vs Female Mortality

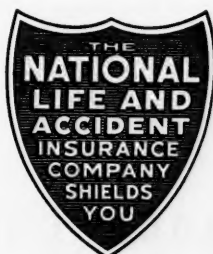
B. A. Winter, Prudential, reported on the relationships between male and female mortality, stating that recent experience confirms prior studies. C. H. Tookey, Occidental of California, stated that the new table included sufficient margins so that self-supporting type legislation should not be needed. G. H. Davis, Life Insurance

## HARVEST TIME

"The frost is on the pumpkin (or soon will be) and the corn is in the shock..."

Which means the fruition of the year's labors, and time for good Life Insurance men to get up and go!

Ours are busy.



THE  
NATIONAL LIFE  
AND ACCIDENT  
INSURANCE COMPANY  
HOME OFFICE - NASHVILLE, TENNESSEE

## Service Guide B

### ACTUARIAL COMPUTING SERVICE, INC.



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N.E., Atlanta 8, Georgia,  
P.O. Box 6192. Telephone  
TRinity 5-6727.

Assn. of America, discussed the items yet to be accomplished in order to obtain acceptance of the table.

The question of a system of certification or licensing of actuaries was discussed by W. A. Jenkins of Teachers. He felt the society should take an active role in initiating some such system. G. N. Calvert of Alexander & Alexander agreed.

J. E. Morrison, Great-West Life, described the present Canadian legal requirements for actuarial certification and stated that the society should

consider advocating governmental licensing or certification of actuaries.

B. W. Batho, Life of Georgia, described the steps taken by the Southeastern Actuaries Club to inaugurate a program for teaching actuarial science in the southeast. A discussion of similar developments in their local areas was given by J. C. Angle of Woodman Accident & Life and W. R. Battle of Southwestern Life. H. C. Hanlin, Provident Life & Accident, felt that an alternative to formal courses in actuarial science was to

have math departments provide courses aimed directly at parts 2 and 3 of the actuarial examinations. Mr. Morrison and Mr. Tookey described existing programs in their areas and stated that the need for greater student recruiting was apparent.

H. R. Lawson, National Life of Canada, described the recent arrangement entered into between his company and Glens Falls. National Life plans to offer a line of life policies through Glens Falls agents.

Outlining the reasons for Allstate's

entry into the life field, E. J. Mullen emphasized the profit potential to the insurer and its agents and one-stop service to customers. M. J. Wood, Travelers, discussed the types of life policies the casualty agent can sell after moderate training and said that for more advanced underwriting the casualty agent can rely on his manager and general agent.

R. G. Espie, Aetna Life, questioned the demand for one-stop service and whether the companies will actually obtain all of the advantages they hope for in entering a multiple line operation. B. O. Gamble of Monarch Life pointed out that greater stability might be achieved in a multiple line operation.

#### Effects Of The Recession

F. J. McDiarmid, Lincoln National, stated that the recent recession had differed from all others in that prices had risen throughout its duration. Mr. McDiarmid and D. M. Ellis, Canada Life, pointed out that interest rates had risen very steeply beginning about June before the recession had bottomed out.

R. J. Mellman, Prudential, mentioned that beginning in the second quarter of 1957, layoffs had decreased the average size of his company's insured groups after several successive years of increase.

#### Disability Claims Rise

C. A. Siegfried, Metropolitan Life, discussed the sharp increase in claim rates on group policies providing protection against disability and speculated that part of the use could be attributed to employees' taking advantage of slack work conditions to clear up minor medical impairments. Norman Brodie, Equitable Society, commented that the recession had apparently not affected the volume of new business, which showed an increase in 1957, but termination rates had shown a sharp increase.

J. E. Matz, John Hancock, pointed out that the higher termination rates resulting from the recession had caused a slight increase in expenses, but he expected that expenses would be lower in 1959. G. N. Calvert of Alexander & Alexander, stated that the recession had not forced the termination of any pension plans but had stimulated the overhaul of some high cost plans.

Louis W. Dawson, president of Mutual of New York, celebrated his 30th anniversary with the company.

### MANAGEMENT CONSULTANTS

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... that combination of additional coverage service and experience, brokers get from Security Mutual General Agents!

Your Security Mutual General Agent is a man with extensive technical know-how, years of experience in insurance program planning. He's a man who knows the importance of tailoring current social and economic changes into client proposals ... a man who knows what SERVICE means to the broker.

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## Changes In The Field

### Franklin Life

Frank H. Janello of Carbondale, Ill., has been appointed general agent in that area for Franklin Life. He entered the life insurance business 16 years ago with Metropolitan Life, and for the past nine years he has served that company as assistant manager.



Frank H. Janello



J. M. Breyspraak

J. M. Breyspraak has been appointed regional sales director in the Memphis area for Franklin Life. For the past 11 years he has been with Aetna Life. He is a CLU.

### Occidental Of California

Robert L. Tiller is the new brokerage manager at Richmond. He went with Occidental after a year with First Colony Life.

Two assistant regional group managers have been named by Occidental: Robert M. McDonald at Boston, and James J. Cich at Seattle. Mr. McDonald joined the company at Boston in 1956 and became group sales representative a year later. Mr. Cich has been in the Seattle group office since 1956, also as group sales representative for the past year.

Promoted to group sales representatives are Robert W. Deeds, Houston; James A. Lund and William N. Pittman Jr., both at Atlanta.

Irvin M. Stoudt has moved from the Phoenix group office to Los Angeles and Donald A. Drews has moved from Grand Rapids to Omaha.

### Washington National

James A. McPherson has been appointed general agent in Phoenix, with headquarters at 111 West Osborn road. He began in life and A&S sales in 1952 and later handled recruiting and training on the company side.



James McPherson

### Continental Assurance

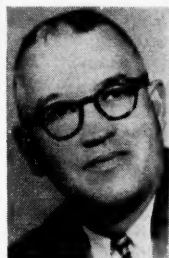
Insurance Service, operated by Philip Schatz, has been appointed general agency at Mahopac, N.Y., by Continental Assurance. John W. Watterson is the life department manager. Carmen F. De Vivo is the new general agent at Syracuse. He was previously with Continental Assurance as a broker.

Appointed general agent at Corpus Christi is Charles A. Phillips. The company has also established a branch office in Portland, Ore., under Scott Adams. Herbert D. Freinberg has been named agency manager at Albany. In

addition, J. J. Longley has been appointed supervisor of new business development in the eastern department. He has been in insurance since 1953.

### American United

Erwin W. Seevers and P. W. Clemens are new agency managers for



P. W. Clemens



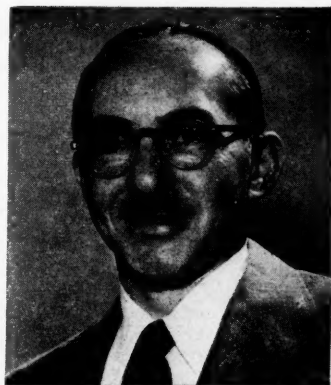
Erwin W. Seevers

American United Life at Phoenix and San Diego, respectively. Mr. Clemens had three years experience as an agent when he became a unit supervisor for the company last summer.

Berry G. Boyd Jr. has been appointed manager of American United Life's agency at Houston. He qualified for the Million Dollar Round Table during his first full year in the life insurance business.

### Monarch Life

Ralph T. Entwistle Jr. and Robert L. Herman have been named to head the newly opened general agencies at Bridgeport and Akron, respectively. Also appointed general agents are LaVerne Ferguson, Rochester, N. Y.;



GEORGE ROSS, GENERAL AGENT IN MIDDLETOWN, N. Y., "These two policies are loaded with selling features—that sell!"

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GEORGE KOLODNY, President

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**NEW "EQUITY BUILDER"**—specially designed for split-dollar, corporation owned insurance, loan financed plans and similar sales.

\$40,000 minimum

High first year Cash or Loan values!

Endowment at 90

**NEW "EXECUTIVE SPECIAL"**—our low net cost special.

\$15,000 minimum—Whole Life at 90

**Both policies have these features:**

Full range of liberal Settlement Options!

Written Sub-standard to 500%!

Low premium—participating!

Family Income and Term Riders can be added!

Issue ages 10-70! Competitive net costs!

Renewals are fully vested! No minimums, no penalties. You can qualify for free Group Insurance and continuous service fees!

William D. Ramlet, Evansville, Ind., and Raymond J. Talbot, Portland, Me.

Mr. Entwistle, who joined the company in 1956, has been home office representative at Hartford. Mr. Herman has been with Monarch at Cleveland since 1955. Mr. Ferguson, field training assistant and supervisor at Pittsburgh and Harrisburg, succeeds Robert E. Wooster, who has transferred to the home office.

Mr. Ramlet, former supervisor at Sioux Falls, S.D., entered the life field in 1954. Mr. Talbot has been home office representative at Boston since 1956, and before that was district manager for another life company. In his new post he succeeds Julius R. Laghi, who in turn succeeds John D. McLaren, retiring general agent at New Haven.

### Prudential

Robert T. Russell has been named district group supervisor at Boston. Arthur R. Taylor, who has headed group operations at Boston since 1955, will be associated with Mr. Russell. Mr. Russell joined the company in

1942 at New York and in 1952 was advanced to assistant general manager at the home office. He has been associate group director of the northeastern home office at Boston since 1957.

### Guardian Life



R. E. Lee

R. E. Lee has been appointed manager at Jacksonville. After several years as a claims adjuster and manager, he entered the life field in 1954 with Prudential and later was named division manager.

### Republic National Life

David B. Hargis Jr., has been named branch manager in Corpus Christi. He has been in the business since 1951, most recently as agency manager for a large western company.

### Life Of North America



William M. Siegel

William M. Siegel has been appointed manager at Milwaukee. He has been assistant manager of New York Life.

### Massachusetts Mutual

Carl LeBuhn has been named district manager at Cedar Rapids. He has been with the company at Davenport, Ia., since 1951.

Seymour M. Rosenwasser has been named supervisor at Detroit. He has had four years' experience in the life business.

Mortimer D. Howard has been named supervisor at Nashville. He joined the company in 1956.

### Equitable Society

Appointed unit managers are Clarence M. Buxton and Robert F. Williamson, both at Hempstead, N. Y.; Julius Donner and Edward J. Ryan, both at New York; Michael Neborak, Poughkeepsie; Richard L. Worcester Jr., Schenectady; Robert Crosby, Milwaukee; Samuel A. Katz, Chicago; James M. Taylor and John E. Gaschen, both at Kansas City, Mo., and Kenneth G. Hughes, Riverside, Cal.

### Southwestern Life

Appointment of David C. Willis as resident manager of the Houston ter-

ritory has been made by Southwestern Life. His advancement from assistant manager there follows the recent retirement of Branch Manager Jack Grantham, who has been with the company more than 42 years. Mr. Willis, who began with the company as an agent in Lubbock, entered agency management work in 1954 as a supervisor in Amarillo.

### Bankers Life Of Iowa

Three appointments have been made in the group sales department of Bankers Life of Iowa. They are: Neil J. Frick, group representative at Detroit; William S. McSharry, group representative at Atlanta; and Philip H. Wright, group supervisor at Los Angeles.

### Occidental Life Of N. C.

John W. Turnage and R. H. Klein have been named district managers at Greenville, N.C., and San Antonio, respectively.

### Commonwealth Life

William H. Heady Jr. has been named manager for the Mobile, Ala., district. He went with Commonwealth in 1952 as an agent.

### Old Republic Life

Raymond S. Chase has been appointed general agent at Valley Stream, N.Y. He has been operating the Raylan Life Insurance agency there.

**LIFE OF FLORIDA** has named O. R. Smart district manager for industrial, and O. C. Herrington manager of the state payroll division for ordinary, both at Tallahassee.

memo to home  
office executives

## The Substandard Risk— Hidden Profit Opportunity?

Many life companies seem to shy away from substandard risks. Yet these risks can prove profitable, if they can be safely covered. And they are most likely to become valuable "good will ambassadors" for the company that insures them.

Because North American is in life reinsurance exclusively, we are constantly exposed to impaired risks in large numbers and wide degree. This fact has produced experience in substandard risk underwriting which can prove invaluable to the life company with a borderline case on its hands. North American's position in evaluating substandard business is this strong—

*we will reinsure cases rated up to 500% on an automatic basis and cases rated up to 1000% on a facultative basis.*

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*To find out more about our services, and what they might accomplish for your company, just write for your free copy of our booklet, "Reinsurance Exclusively".*



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# She knows

From firsthand experience, the wife of a Liberty Life representative knows that her husband can count on—

- basic and advanced training
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- opportunities for promotion
- liberal group and pension benefits

Behind him and her is Liberty Life's 53-year record of growth and progressive management.



## LIBERTY LIFE INSURANCE COMPANY

Greenville, South Carolina

FINANCIAL FREEDOM FOR THE FAMILY



## Home Office Changes

### Prudential

Donald E. Bishop has been elected a 2nd vice-president in charge of sales operations of the south-central home office at Jacksonville and Donald S. MacNaughton has been promoted to associate general solicitor in the law department. Mr. Bishop, who joined the company at Jacksonville in 1930,

has been executive director of agencies of the southwestern home office at Houston. Mr. MacNaughton, a former deputy superintendent of the New York department, joined Prudential in 1955 as associate counsel and later was named assistant general counsel.

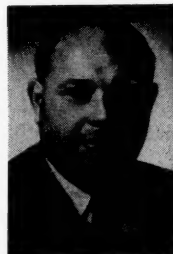
### Massachusetts Mutual

Ernest H. Wiedemann has been appointed assistant superintendent of agencies. For the past four years, he has been with Prudential at Dayton in sales and management positions.



Ernest H. Wiedemann

### Bankers L.&C.



Leon L. Tracy

Leon L. Tracy, vice-president of sales for Bankers L.&C., has been elected to the board. He has been in insurance for 20 years, and prior to joining his present company, he was A&S sales director for Prudential.

### Sentinel Life Of Texas

Howard Maxon was elected president and chairman to succeed his father, the late Earl Maxon. James J. Kaster was elected secretary-treasurer. The company, organized in 1945, now has more than \$30 million in force in Texas, New Mexico and Arizona.

### Royal Neighbors

Appointment of Miss Alene M. MacMillan has been made by Royal Neighbors as assistant to the actuary. Previous to her appointment, Miss MacMillan had been with Great-West Life since 1952.

### Commonwealth Life

John S. Moyse, former associate actuary for agency research, has been promoted to group actuary of Commonwealth. He became a fellow of Society of Actuaries in 1955.

### Great American Life

John Boner, formerly with Mutual Benefit Life at Indianapolis, has been named agency director for Great American Life.

**VOLUNTEER STATE LIFE** has appointed Joe H. Davenport Jr., former president of Davenport Hosiery Mills Inc., to the newly created position of assistant to the president.

**CALIFORNIA LIFE** has named Jack A. Downey executive manager of the association and union division.

Frank T. Culp Jr., sales promotion and advertising director of Guarantee Mutual Life, has joined the home office agency department staff of **WEST COAST LIFE**.

**FIRST COLONY LIFE** has named Joseph Hrubik, former supervisor at Richmond, as director of agents training. He entered the life field with Mutual Benefit Life at Richmond.

## Agent Recruiting Slide Film Wins U.S. Industry Award

National Life of Vermont's sound slide film for recruiting agents, "Your Future With National Life," has won the second place award in a nationwide contest sponsored by National Visual Presentation Assn. and Sales Executives Club of New York.

More than 200 films submitted by all types of industry were entered for the six categories in the contest. A total of 85 films were judged in the

sound slide film category and, according to Clyde R. Welman, agency vice-president, National Life was the only life company to win an award.

## Jefferson Standard Life Shows In Force Gain Of \$69,860,756

Insurance in force with Jefferson Standard Life showed a net gain of \$69,860,756 for the first nine months of 1958, bringing total insurance in force to \$1,778,427,619, a record. Paid-for business for the first nine months totaled \$162,238,742.



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## Inexperienced Agent Advised To Seek Aid

(CONTINUED FROM PAGE 2)

taken out and, secondly, you park some money away so that if in a year he cannot pay the amount required you have a margin for safety."

### Use Premium Loan Programs

On sales to individuals, Mr. Arden suggested the use of bank premium loans in order to set up the payments on a monthly basis. By doing this, the agent can talk to the prospect in terms of monthly payments, which can often be an attractive sales factor.

Mr. Arden said that his merchandising method is one which involves the use of implied consent. He prepares illustrations for each case individually, begins his presentation by talking about ordinary life and from that swings into the bank loan plan.

"I don't wait for the prospect to tell me that he can't afford to buy ordinary life. I tell him if he can't afford the ordinary life—or for various reasons doesn't want to buy the ordinary life—this is another effective way to

own insurance," Mr. Arden explained.

He said he has used the financed insurance sales approach for personal insurance, split-dollar, deferred compensation, stock retirement and, "as a matter of fact, up and down the whole ladder of requirements for life insurance."

### Restrictive Legislation

After giving a history of the Treasury Department's success in past years in having restrictive legislation placed on the books against the interest reduction in single premium annuity, single premium life and 10-payment life with discounted premiums, Mr. Arden said, "I am sure you know that the Treasury Department did not stop there and the present law on the books since 1954 has been under constant attack by the Treasury in an attempt to place further restrictions on the collateral value of life insurance."

Mr. Arden pointed out that a financed insurance sale is seldom made

without some discussion of the tax deduction, and that it is of vital importance for the agent to have an educated guess as to what are the Treasury's future plans.

Mr. Arden said that he saw on the horizon an indication that the Treasury is attempting to do in the tax courts what it has failed so far to do in the legislature. Mr. Arden pointed out that there are several cases pending in the courts that will have a significant bearing on whether the tax deduction will stand up or not.

"One case, I understand, involves loans against ordinary life policies where the Treasury is attempting to disallow the interest deduction," he said.

Mr. Arden, who is also president of Assn. of Advanced Underwriters, said that the association "has been solely responsible for the protection of the interest deductions since 1954. The chairman of our legislative committee and our counsel have appeared before the Senate finance committee and the House ways and means committee officially and we have talked to the members of these committees privately to educate them and to explain our position in the matter."

### Treasury's Plans Unknown

Mr. Arden said that his organization has also talked to the group in the Treasury Department which has been attempting to have additional restrictive legislation passed. As of this moment, he said, "We know of no specific attempt for new legislation but we do have a new Congress which will convene soon and what the Treasury will do then is anybody's guess."

In recalling the early days of the bank loan plan, Mr. Arden referred to

the Knox vs Anderson case which involves a life agent, Anderson, who was sued in Hawaii for a bank loan sale which he made in 1953. Mr. Anderson was criticized by the presiding judge for business methods which he used in making this sale.

### Methods Criticized

Mr. Arden said he held no brief for Mr. Anderson and that he neither defended nor criticized his business methods. "But in an attempt to evaluate his responsibility, we must remember that only five years ago bank loan was a highly individualized and somewhat secretive and unpublished method of insurance selling. Some of the things Anderson did may have been improper in light of judgment and business practices today. But, in the light of what these practices were five years ago, he is less to be criticized," Mr. Arden said.

Whatever people in the industry may feel about Mr. Anderson, Mr. Arden said, the case is of vital importance to all agents because if the decision is upheld in the court of appeals, the principle of the judge's opinion imposes a new responsibility on life insurance agents which never existed before. The judge held that Anderson, in advising the buyer, had a legally enforceable responsibility to give sound advice. Mr. Knox, the plaintiff, was awarded a judgment of over \$25,000.

Mr. Arden said that the Assn. of Advanced Life Underwriters has directed its attorney in Washington to file a brief of amicus curiae or "friend of the court" in the appeal of the Anderson case. Mr. Arden said that the association's purpose is not to defend Anderson but to present to the appeals

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October 25, 1958

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part a summary of accepted and proper business methods in the area of financed insurance.

He said the prevailing feeling in the association was that this case is vital to everyone in the industry and that ALU felt it had to act to assist the court in arriving at a fair decision that would give conscientious agents the chance to conduct their business without the threat of irresponsible claims.

Mr. Arden warned that the problem of improper selling of financed insurance is very serious and with the Knox-Anderson case hanging over the industry's head, "It seems to me that a more vigorous job of policing the sale has to be made."

#### An Awful Headache

In summing up, he said, "The minimum deposit sale can be compared to a rolling pin which, if used properly, has a specific function, but if used improperly can give you an awful headache."

"With all the problems considered, however, in my opinion, the financed insurance device properly used is a major breakthrough in the merchandising of life insurance and I believe that with further improvements that are to come, it must be part of the education of any man who wants to do a sound, intelligent job for his clients," Mr. Arden concluded.

**Woodmen of the World of Omaha,** rolled up a record volume of new business in September with 3,581 membership applications for a total of \$12,526,484, the largest month's volume of new business in more than 10 years.

## Public Practice Actuaries Hold Rally

(CONTINUED FROM PAGE 15)

sation system for our field force, all of which are combination agents."

Sizing up group A&H and hospitalization business to determine its probable value before acquiring it; or before renewing it was discussed by Edward J. O'Boyle, vice-president and group actuary, Republic National Life. "I feel confident that our present rate structure and renewal underwriting practices on base plans are such that we would develop normal anticipated loss ratios," he said. "Our big problem at the moment is the coverage provided by the comprehensive major medical plans which provide first dollar coverage . . . We have been unable to renew any of our comprehensive plans which provide first dollar coverage without making in general a drastic reduction in coverage and a slight increase in premium."

"This has placed us in an unfavorable position with our policyholders. They feel, and justly so, I am afraid, that we did not warn them sufficiently of the problems inherent in that type of group coverage. We feel that we have learned a very important lesson from this unfortunate experience."

"It is pretty well agreed that the group A&S business must be placed on a self-sustaining basis. The only way to accomplish this is to write reasonable coverage for an adequate premium. The solution to enable us to write this type of business reverts back to the type of coverage that will be used and not abused, as well as a concentrated effort in educating our group representatives on the advantages of this plan. I am optimistic that

with this approach we will be able to refine this coverage to the extent that it will prove to be salable to the employer."

Fred W. Clark, 2nd vice-president, Lincoln National Life, discussed the question, Can medical and hospital bills during retirement be financed (prepaid) during the working years of life? If so, how? Mr. Clark said, "Basically we are talking about savings. It is as simple as that. After underlining some of the problems, and what is being done, Mr. Clark said, "The solutions to the problems we have been discussing and to many related problems require the combined efforts of industry, the health care professions, actuaries, and the insurance business. Through the facilities of the Health Insurance Institute an ambitious program of public relations and education, financed by the health insurance companies, is rapidly gaining momentum . . . Anyone who takes the time to study the facts can have

nothing but admiration for the prodigious efforts being made by the health insurance business to develop solutions to these problems, and in time."

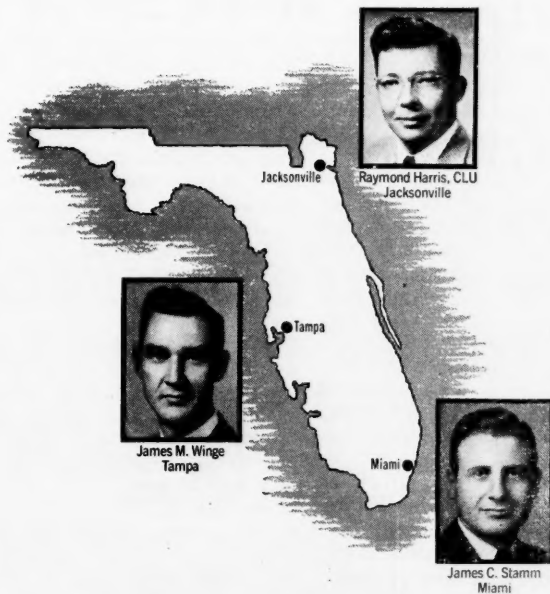
A forum, "Problems Of Pension Funds," was moderated by Fenton R. Isaacson, consulting actuary Haight, Davis & Haight, Omaha.

Harry Sarason, consulting actuary, Los Angeles, gave his views on the relationship of the actuary to pension investments. He indicated that the actuary's principal responsibilities with respect to pension investments are the making of recommendations as to interest assumption for valuation purposes and the basis for valuation of assets, and the explanation of the variable annuity concept or other related concepts of what to do about possible inflation.

David Cavell, consulting actuary Eugene M. Klein & Associates, Cleveland, enumerated the changes in the social security law brought about by the 1958 amendments.

Earl Nicholson, actuary Joseph Froggatt & Co., New York, reviewed some recent pension plan regulations.

NO. 10 IN A SERIES



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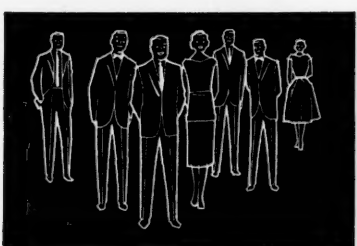


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## Editorial Comment

### Encouragement From A Competitor

Writing in to express agreement with the editorial "Dollars for Autos—or Life Insurance?" which ran in the Oct. 11 issue, the public relations and advertising manager of a mid-western life company called attention to the extremely aggressive merchandising of forms of saving that are diverting people's attention and money from life insurance to an extent that has not been generally realized.

"Personal savings have never been higher in the history of this state than they are right now," he writes. "This is not a phenomenon associated with people's resistance to the purchase of automobiles. It was true in pre-1958, and the increase in such savings has continued unabated. In relation to total savings, however, life insurance is not getting its share. Then who is? Who is the greatest competitor of our business at a time when people are willing to save money and lots of it?"

"If you were living around here you wouldn't have far to look. You cannot turn the dial of a radio or television set any time of day without catching some program sponsored by a local savings and loan association. These programs don't promote their service as a way of enabling an individual to build a little nest egg which will enable him to take a trip or vacation or help him out of some minor misfortune. They go all the way."

"To listen to their commercials, you are led to believe that \$5 deposited in an S&L next Monday morning and every Monday morning thereafter will automatically make all your dreams come true, provide you with retirement security, and at the same time pay you what the pitchmen refer to as a 'king-size 3½% interest.'"

"They say nothing, of course, about the amount of protection or security which your next Monday morning's \$5 deposit gives your family if perchance you are hit by a truck on Tuesday morning. . . . In certain respects I think that the competition which the life insurance business gets from the savings and loan groups is tougher than what it gets from the automobile industry. A man looking over a new automobile or even a new-used one has a clear-cut choice. But my conversations with many individuals who are potential life insurance customers have convinced me that the individual who is inclined to build his own or his family's future security does not see this same clear-cut alternative with respect to the savings and loan route vs life insurance."

"Repeatedly I have tossed out the \$5-deposit-on - Monday-a-n-d-getting-hit-by-a-truck-on-Tuesday hypothesis and had the person look at me and say, 'I never thought of it that way.' And you can't blame the prospect. Day after day he is exposed to the phrase 'insured savings' by the savings and loan commercials. We in the life insurance business have failed to hit hard at the essential differences between these two routes to security, with the result that thousands of po-

tential customers are being lost to a competitor who is being just as persistent and just as seductive as Detroit.

"The second form of competition which is all too easy to overlook in the excitement about new automobiles is the competition of the mutual funds. Here again, I think we have not taken off the gloves and sold our product with sufficient aggressiveness. Certain mutual funds have grown to be giants, not because their products are better than life insurance but because their salesmanship and merchandising have been better. One of their major markets is among school teachers and other people of modest income who simply can't save any money unless they are under a plan which compels them to save. I always thought that life insurance had this virtue, but apparently we have been remiss in promoting it."

"I will venture this prediction for the year ahead: More automobiles will be sold in 1959 than in 1958 by a considerable margin. But I don't believe that the additional purchases of cars will slow down materially the ability or the disposition of the American people to stash away a considerable part of their earnings."

"In view of this, we will do well to keep on the alert against the siren song of Detroit, but let's not forget for a minute that the life insurance business has not been as aggressive—or as seductive, if you please—as other savings institutions in its bid for the dollars which the American public has shown such willingness to put away for the future."

The foregoing is a distinctly encouraging comment, from a life insurance standpoint. The tragic effect of inflation on the buying power of life insurance dollars is so well known to life insurance people that perhaps they tend to give it more weight than it deserves as a reason for not buying. It is easy to forget that the prospect who raises the inflation objection may have only a superficial grasp of the subject. When he gets all the reasons why he should buy more insurance, the inflation objection, even though admittedly well grounded, may not loom anywhere near so large as it did when he popped it out.

But more important, it would appear that there are many more thousands of prospects who are not under any illusion as to their ability to hedge against inflation, but are primarily interested in having enough of whatever kind of dollars there are when future needs arise. They are willing to save and don't feel comfortable unless they are saving."

Moreover, they are sufficiently realistic to know that if they don't have a systematic plan of saving they won't do much of it. Maybe there are some for whom a savings-and-loan association investment plan will work out better than life insurance. But for nearly everybody it would probab-

bly be safe to say that if a savings-and-loan association plan is good, a life insurance plan is better—on account of the hit-by-a-truck-Tuesday factor, if for no other.

It's a pity that the money people put into life insurance and other fixed dollar investments seems virtually certain to come back in less potent dollars. But it's hard to imagine inflation going so far in this country that the dollars that come back in the future won't be more welcome than the memories of dollars squandered today because it didn't seem worth while to follow a systematic plan of saving.—R.B.M.

## Personals

**Harold F. Boss**, vice-president of Universal Life & Accident, has been elected president of Dallas Health and Science Museum. The institution, one of only four in the U.S., provides information on health and science, principally through three-dimensional exhibits.

**David F. Chapin**, manager of the activities and services division of Equitable Society's personnel department, was co-chairman of a special seminar on employee recreation at New York. Mr. Chapin is president of Industrial Recreation Directors of New York which co-sponsored the seminar with Long Island & National Industrial Recreation Associations.

**Vincent P. Manno**, vice-president of Modern Life & Accident of Chicago, has been elected to the executive advisory board of Illinois Good Government Institute, Chicago.

**Carrol M. Shanks**, president of Prudential, has been named a trustee of the Institute of Advanced Study at Princeton. Mr. Shanks is also a trustee of Rutgers University and Wheaton College.

**Mrs. Louise Ilse**, associate manager of group sales research and communication of Equitable Society, has been named Business Woman of the Year by National Federation of Business and Professional Women, district 1, metropolitan New York area.

**Levering Cartwright**, partner in the Chicago securities firm of Cartwright, Valleau & Co., addressed a luncheon meeting of the Kankakee (Ill.) Exchange Club Wednesday on insurance stocks.

**Francis (Pug) Lund**, Minneapolis general agent of New England Life, was voted last week into the National Football Hall of Fame. He was a star player on the championship Minnesota team of 25 years ago and was named to the All American football team twice.

## Deaths

**JOSEPH M. GRACE**, 80, for many years southern Michigan manager of Lincoln National Life, died at Adrian, Mich. He had been in the life business since 1905, and had continued active despite recent ill-health.

**KASRIEL M. SACKS**, 74, former manager of Equitable Society at Chicago and retired agent at Los Angeles, died. He joined Equitable as district manager at Peoria in 1919 and became

## The NATIONAL UNDERWRITER



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**CINCINNATI 2, OHIO**—420 E. Fourth St., Tel. Parkway 1-2140. Chas. F. Woods, Sales Director; George C. Roeding, Associate Manager; Roy Rosenquist, Statistician

**CLEVELAND 14, OHIO**—1367 E. 6th St., Lincoln Bldg., Rm. 208, CH 1-3396. Paul Blesl, Resident Manager.

**DALLAS 1, TEXAS**—309 Employers Insurance Bldg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

**DENVER 2, COLO.**—234 Commonwealth Bldg., Tel. Amherst 6-2725. J. Robert Ebelhardt, Rocky Mountain Manager.

**DES MOINES 9, IOWA**—327 Insurance Exchange Bldg., Tel. Atlantic 2-5966. D. J. Stevenson, Resident Manager.

**DETROIT 26, MICH.**—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

**INDIANAPOLIS 20, IND.**—5634 N. Rural St., Tel. Clifford 3-2276. William J. Gessing, Manager for Indiana and Michigan.

**MINNEAPOLIS 2, MINN.**—1038 Northwest Bank Bldg., Tel. Federal 2-5411. Howard J. Meyer, Northwestern Manager.

**NEW YORK 38, N. Y.**—17 John St., Room 1401, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

**NEWARK 2, N. J.**—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

**PHILADELPHIA 9, PA.**—123 S. Broad St., Room 1027, Tel. Pennypacker 5-3708. Robert J. Zoll, Middle Atlantic Manager.

**ST. LOUIS 2, MO.**—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgenuth, Resident Manager.

**SAN FRANCISCO 4, CAL.**—582 Market St., Tel. Exbrook 2-3054. Robert L. McMullen, Pacific Coast Manager.

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manager at Chicago the following year. He entered the company's reserve force at Los Angeles in 1941.

## Stocks

By H. W. Cornelius, Bacon, Whipple & Co. 115 S. LaSalle St., Chicago, October 21, 1958		
	Bid	Asked
Aetna Life .....	202	206
Beneficial Standard .....	15	16
Business Men's Assurance .....	88	92
Cal-Western States .....	102	106
Columbian National .....	115	120
Commonwealth Life .....	24	25
Connecticut General .....	305	310
Continental Assurance .....	150	155
Franklin Life .....	79	81
Great Southern Life .....	86	Bid
Gulf Life .....	23	24
Jefferson Standard .....	86½	88½
Kansas City Life .....	1560	1600
Liberty National Life .....	36	38
Life & Casualty .....	21	22
Life of Virginia .....	50½	53½
Lincoln National Life .....	198	202
National L. & A. .....	97½	100
N. W. National Life .....	18	19
North American, Ill. ....	86	92
Ohio State Life .....	335	350
Old Line Life .....	58	63
Republ. Natl. Life .....	55	56½
Southland Life .....	109	111
Southwestern Life .....	130	135
Travelers .....	87½	89
United, Ill. ....	50	52
U. S. Life .....	45½	46½
Wisconsin National Life .....	68	72



**BY MISTAKE**—The above photograph appeared in last week's issue incorrectly identifying the subjects as H. Harold Leavey of California-Western States Life and Dudley Porter Jr. of Provident L. & A. The caption should have read:

**ON THE JOB 70 YEARS**—William E. Reeve (right), who celebrated his 70th year with New York Life, is congratulated by Clarence J. Myers, president. Mr. Reeve joined the company in 1888 as an office boy and four years later became an agent at New York, where he has worked ever since. Over the years he has sold more than \$30 million of coverage to over 3,000 policyholders.

## Wash. Agents Stress Need To Defeat Life Tax Bill

**SPOKANE**—The urgent need for negative votes to defeat initiative 30 in the coming election has been stressed by members of the Spokane Life Underwriters Assn. Eugene Ballery, legislative chairman, pointed out that 30% of the total vote must be against the measure to prevent it becoming a law.

Initiative 30 would make taxable under the state inheritance tax all life insurance payable upon the death of any person. Though inheritance tax exists in nearly every state, life insurance has hitherto been made all or partly exempt. In Washington, a \$40,000 exemption on life policy proceeds is now provided.

Last year the association gained 167,000 signatures against the measure on petitions.

## Four Life, A&S Companies Licensed By Connecticut

Four companies have been licensed to do business in Connecticut. The names of the companies and the types of insurance they are licensed to sell are American Life of New York, life and A&S; Great-West Life of Canada, A&S; General Life of Seattle, life and A&S, and Peoples-Home Life of Frankfort, life.

In a one-week home office solicitation, employees of **Massachusetts Mutual** collected \$108,271 for the 1958 greater Springfield, Mass., United Fund-Red Cross campaign. The gift represented some 12% of the campaign goal.

## Convention Dates

- Oct. 27-29, Health Insurance Assn., Individual insurance forum, Drake hotel, Chicago
- Nov. 6-7, New York State Assn. of Life Underwriters, fall delegate meeting, St. Moritz hotel, Lake Placid, N. Y.
- Nov. 10-13, Life Insurance Agency Management Assn., annual, Edgewater Beach hotel, Chicago.
- Nov. 19-21, Institute of Home Office Underwriters, Hollywood Beach hotel, Hollywood Beach, Fla.
- Nov. 20, Insurance Federation of New York, annual, Waldorf-Astoria, New York City.
- Dec. 8-9, Assn. of Life Insurance Counsel, winter meeting, Plaza hotel, New York.
- Dec. 9, Institute of Life Insurance, annual, Waldorf-Astoria hotel, New York City.
- Dec. 10-11, Life Insurance Assn. of America, annual, Waldorf-Astoria hotel, New York.
- Dec. 15-19, National Assn. of Insurance Commissioners, midwinter, Roosevelt hotel, New Orleans.
- Dec. 28-29, American Assn. of University Teachers of Insurance, annual, LaSalle Hotel, Chicago.
- Feb. 20-21, New York State Assn. of Life Underwriters, general agents and managers meeting, Gideon Putnam hotel, Saratoga, N. Y.

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## Grant Hill To Retire; Jones, Templin Raised

(CONTINUED FROM PAGE 2)

in Milwaukee two years later as agency assistant, and in 1951 was promoted to assistant director of agencies. He was advanced to superintendent of agencies in 1954. In the latter capacity, Mr. Templin supervised half of Northwestern Mutual's general agencies and was in charge of a program for induction of new agents.

Mr. Templin graduated from University of Indiana. He served in the marines during the second world war, attaining the rank of major.

Lafin Jones started with Northwestern Mutual as a messenger in the actuarial department in 1927 on a part-time basis. In 1929 he joined the agency department as a full-time employee. He was promoted to agency assistant in 1939 and assistant director of agencies in 1941. Ten years later he was made director of insurance research, and the following year was promoted to executive assistant. In 1954 he became director of insurance services and planning.

For many years Mr. Jones has been

in charge of the company's educational program for agents. At the same time he edited monthly magazines for home office personnel and agents. His life insurance plays and skits have been popular in the industry and have been presented at company and industry meetings and conventions.

He is the son of the late Evan D. Jones, who served Northwestern Mutual for 44 years and was secretary for the last 12 years of his career.

Mr. Jones graduated from Dartmouth college and served in the navy during the war.

### Acacia Mutual Paid-For Business Is \$48,285,000 In Third Quarter

Acacia Mutual's placed production figures for the third quarter showed a 4% increase over the same three months in 1957. Paid-for business for the June-September period amounted to \$48,285,000.

Placed business for the first three quarters exceeded \$134,250,000. Business in force increased more than \$6 million during September and now stands at \$1,658,377,000, a gain of nearly \$60 million.

## Survey Shows Cooperation Close To 100%

(CONTINUED FROM PAGE 5)

tiveness and harmony that exists between lawyers and actuaries, the authors sent a questionnaire to some 40 life insurance companies, and found overwhelming evidence of effective cooperation. Where there are common problems and division of responsibilities (drafting of forms, liaison with state insurance departments), unless primary responsibilities are definitely fixed, occasions may arise where problems are not properly handled.

Where professional responsibilities touch, rather than overlap, both professions cooperate fully in reaching agreeable solutions to common problems, or they appeal to higher authority. Where discord exists it probably stems from personality differences.

Where cooperation is less than perfect, the solution lies in understanding of the problems involved. Some lawyers look upon actuaries as members of an exact, scientific profession. Some actuaries look upon the law as an exact science. Neither assumption is correct, the authors stated; the ultimate solution to problems depends on the facts, the judgment and the professional opinions which are brought into play.

Discussing the questionnaire answers as respects conflicting responsibilities and areas of cooperation, the authors said:

Areas of Conflicting Responsibilities: The responses indicate there are areas where lawyers and actuaries are both concerned with common problems and divided responsibilities. Drafting of policy forms is one example, where the actuaries generally draft and the law department approves. The liaison maintained with the insurance departments is another example and perhaps most clearly illustrates an overlapping of responsibilities. Filing of policy forms with the departments and many actuarial, legislative and legal questions or problems are involved.

### Responsibility Should Be Fixed

Some considerable differences of opinion exist between actuaries and lawyers, sometimes even within a company, as to which profession has the chief responsibility for liaison. The differences can be explained to a certain extent by the nature of the problems dealt with, and it is usual for members of either the actuarial or the law department to call on the other for such assistance as is deemed advisable. But when primary responsibility is not definitely fixed, occasions will arise when problems are not properly handled and situations may occur when representa-

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atives are working at cross-purposes. Some evidence of the wisdom of a clearly defined statement of responsibilities is indicated by the responses. Definite responsibility in areas where action might occur has been established formally in a few companies.

**Areas of Cooperation:** In addition to the areas where responsibilities may overlap, there are others where the duties of each of the professions touch frequent intervals. In these areas cooperative effort is necessary and there is bound to be some showing of lack of complete harmony. Differences of personality probably occasion the bulk of such discord as exists. On the actuaries' side there is some criticism of the overly technical approach of lawyers. The less frequently expressed thought is that occasionally either lawyers or actuaries limit themselves to giving strictly professional advice, thus leaving the exercise of business judgment, with attendant responsibility for error, to the other. On the other hand, as one lawyer expressed it, "There is always the question of who is leading whom by the hand."

**Both Cooperate Fully**

It is generally true that both professions cooperate fully in reaching proper and agreeable solutions to common problems, or they appeal to high authority. In arriving at business decisions consultations generally are held and opinions are sought on occasions when both lawyers and actuaries feel they are required or advisable. Suspicion arises that lawyers feel the consultations should be held earlier in the development of some problems and that actuaries believe the lawyers are sometimes dilatory. The solution to these suggestions of

lack of perfect cooperation lies in a better understanding of the problems, the authors say. Some lawyers look upon the actuaries as members of an exact, scientific profession. Some actuaries look upon the law as being an exact science. Neither assumption is correct, and the ultimate solution to problems depends on the facts, the judgment, and the professional opinions which are brought into play. Any step, formal or informal, which will give each profession a better understanding of the approach of the other is a step in the right direction. Luncheon dates, informal business discussions, regular meetings, and on-the-job training in the other departments are some of the devices used.

#### Cooperation "Most Effective"

While consideration has been given to the negative thoughts arising from the responses received, the evidence is overwhelming that there is most effective cooperation between the actuaries and the lawyers.

As a part of their training, actuaries study some insurance law and that training stands them and their companies in good stead, since they are able to recognize legal questions when they arise. There is evidence that they welcome and understand the customary explanations of opinions given by the lawyers. Lawyers in life companies become familiar with the actuarial lingo, and can determine the intent of the actuary.

"The questionnaire was designed to provoke criticism by one profession of the other," the authors stated. "Among the gratifying results is the conclusive evidence of the sincere respect which exists between the actuaries and the lawyers, and the great pride both have in their companies."

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